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# 1992 DATA USERS MEETINGS

## Livestock, Dairy, Poultry, Cold Storage and Aquaculture Estimation Programs



United States Department of Agriculture



**United States  
Department of  
Agriculture**



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CATALOGING PREP.

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## FOREWORD

*This report summarizes discussions at five Data Users Meetings held in March and April 1992 to discuss USDA economic statistics programs. Also included are written statements which were provided by meeting participants or by individuals who were unable to attend.*

*Listening meetings have been held nearly every year since 1978 by agencies under the Assistant Secretary for Economics. These meetings have identified a number of improvements which have been incorporated into the ongoing reports and research program.*

*The 1992 meetings focused on the NASS livestock, dairy and poultry forecasts and production estimates, AMS market news reports, ERS situation and outlook reports, and WAOB supply and demand estimates.*

*The material presented in this report is a summary of the major points presented at each session. No attempt was made to capture verbatim comments. All answers and subsequent discussion based on remarks by a particular speaker are shown by indentations.*

\* \* \*



## NATIONAL AGRICULTURAL STATISTICS SERVICE OVERVIEW

In this session, I want to briefly discuss the data collection, editing, summarization and estimation process, revision policy, and recent improvements that we have made to provide more reliable livestock, dairy, and poultry estimates and better service to data users.

All livestock, dairy, and poultry estimates start with the collection of survey data from producers and agricultural firms. In most cases, data are collected from a sample of producers selected from a list of operations maintained by the National Agricultural Statistics Service (NASS) State offices and producers located in about 16,000 randomly selected land areas across the U.S. The lists consist of names, addresses, phone numbers, and some information about the commodities that each operation produces, as well as some measure of the amount of each of the commodities produced. The lists are not complete due to the dynamic nature of agricultural production. However, an attempt is made to have information on all large operations in each State. Most of the list incompleteness is in the coverage of small farms and ranches. All producers have a chance to be included from the randomly selected land areas, since all land in the U.S. is accounted for in the sampling frame.

The lists of operations are grouped according to size and sampled, so that larger operations have a greater chance of being in the sample than small farms and ranches. In general, the amount of production accounted for by operations in the sample is much greater than the proportion of farms in the sample. For example, only about 13 percent of the feedlots are included in a Cattle on Feed Survey, but these feedlots account for 75 percent of the cattle on feed inventory. The land areas in the U.S. are grouped according to the type of land used for sampling. Typical categories for sampling are intensively cultivated land, land that is a mixture of cultivation and range or woods, range land, woods, urban, and land that is a mixture of urban and agricultural uses.

The integrated Crops, Stocks and Hogs Survey is the source of data for the quarterly estimates of hogs and pigs, as well as estimates of crop acreage and production and grain stocks on farms. The sample consists of about 80,000 farms which are surveyed on a quarterly basis. The December 1 chicken inventory is also obtained from this sample. Field and telephone enumerators are used to completely account for all operations in the sample, excluding those that refuse to cooperate or that can't be located during the survey period. Regardless of when operators are contacted, they are asked to report inventory, births, and deaths as of the first of the month.

The Cattle, Sheep, and Goat Survey is another large integrated survey which is used to collect data for the January 1 estimates of cattle, cattle on feed, sheep, and goats. The January 1 sample consists of 77,00 farms, ranches, and feedlots. All operations are contacted by mail, telephone, or personal interview in an attempt to collect data from all farms and ranches in the sample. A first of the month reference date is also used for these surveys. The July Cattle Survey is a subsample of 33,000 operations from the January 1 survey. Beginning with the January 1, 1992, survey, the monthly/quarterly Cattle on Feed Survey has been integrated with the Cattle Inventory Surveys on January 1 and July 1. The monthly and quarterly Cattle on Feed Survey samples are selected from operations that had cattle on feed in the January 1 survey or intentions to have cattle on feed later in the year. About 3,500 feedlots are included in the monthly surveys and 6,500 feedlots are in the quarterly surveys.



## **NATIONAL AGRICULTURAL STATISTICS SERVICE OVERVIEW**

### **(Continued)**

Surveys used to collect data such as the number of layers and egg production, milk production, and honey production are "stand alone" surveys designed to collect data for just one commodity. While operations are grouped by size for sampling, most of the data are collected by mail with some telephone follow-up of very large operations that don't respond by mail. No attempt is made to completely account for all producers in the sample. About 1,250 producers furnish data for the monthly Layer and Egg Survey and 2,200 producers are accounted for quarterly. Milk production is obtained from 5,000 dairies monthly and about 9,500 dairies quarterly.

For commodities like aquaculture, mink, and cold storage, all known producers or firms are included in the sample. Much of the data are collected by mail. However, some telephone enumeration is used to collect information from large producers or specialty operations.

Livestock slaughter data from federally inspected plants are collected and summarized under a Memorandum of Understanding between the Food Safety and Inspection Service, the Agricultural Marketing Service, and the National Agricultural Statistics Service. Meat inspectors complete questionnaires weekly and mail them to NASS headquarters where they are keyed, edited, and summarized by NASS staff. Market News Service (MNS) personnel assist in contacting plants that do not respond by mail, so that all firms are accounted for each week. NASS furnishes MNS with the actual weekly slaughter totals that are published. The preliminary daily and weekly slaughter totals which are released by MNS are based on a sample of plants which are contacted by Market news daily. The weekly slaughter data are accumulated to produce the monthly slaughter data published by NASS. Data for the non-federally inspected (NFI) livestock slaughter are collected and summarized by NASS State offices. Some offices obtain a complete accounting of NFI slaughter through cooperative agreements with State Departments of Agriculture. In other cases, the NFI plants are surveyed by the field offices to obtain the data.

Samples for all major surveys are designed and selected by mathematical statisticians in headquarters. Samples for smaller surveys are selected by the field office staff with some guidance from headquarters. Data collection, editing, and summarization for nearly all surveys is done by field office statisticians. The edit limits and summary programs are furnished by headquarters, to assure comparability between States. Detailed instructions are furnished by headquarters on survey procedures and survey dates.

After the data are summarized, each field office analyzes the data and prepares estimates for each commodity. These estimates and comments about factors that may have influenced the inventory or production are submitted to headquarters for review by the Agricultural Statistics Board.

For surveys like the Crops, Hogs, Stocks, and Cattle and Sheep, the Board, which is made up of statisticians from headquarters and field offices, reviews national and regional survey totals and other information such as balance sheets to establish national and regional totals for total inventory and births. This procedure is followed because survey indications are stronger at the national level because of the larger sample size. In addition, information on imports, exports, and slaughter can be combined with the



## NATIONAL AGRICULTURAL STATISTICS SERVICE OVERVIEW (Continued)

estimates of inventory and births to be sure the estimates fit with previous estimates and the "administrative" data that are available only at the national level. National estimates are also established for each class of the inventory. Estimates that have been submitted by the States are then reviewed by the commodity specialists to be sure they are reasonable. Any proposed changes are discussed with the States, prior to publication. For estimates like milk production, the Board is not formally convened. However, the State estimates are carefully reviewed by headquarters commodity specialists, prior to publication.

In the months following the survey, administrative data such as slaughter, pork check-off data, and federal milk market order receipts are monitored to determine if revisions will be necessary. Historical estimates are also reviewed when making current estimates to be sure the estimates fit together.

NASS only makes revisions based on additional information, such as new survey data and administrative data. In general, estimates are subject to revision during the next estimation cycle, at the end of the year, and after the 5-year Census of Agriculture. Revisions are made to provide data users with the best possible base of historical estimates for comparison with current estimates.

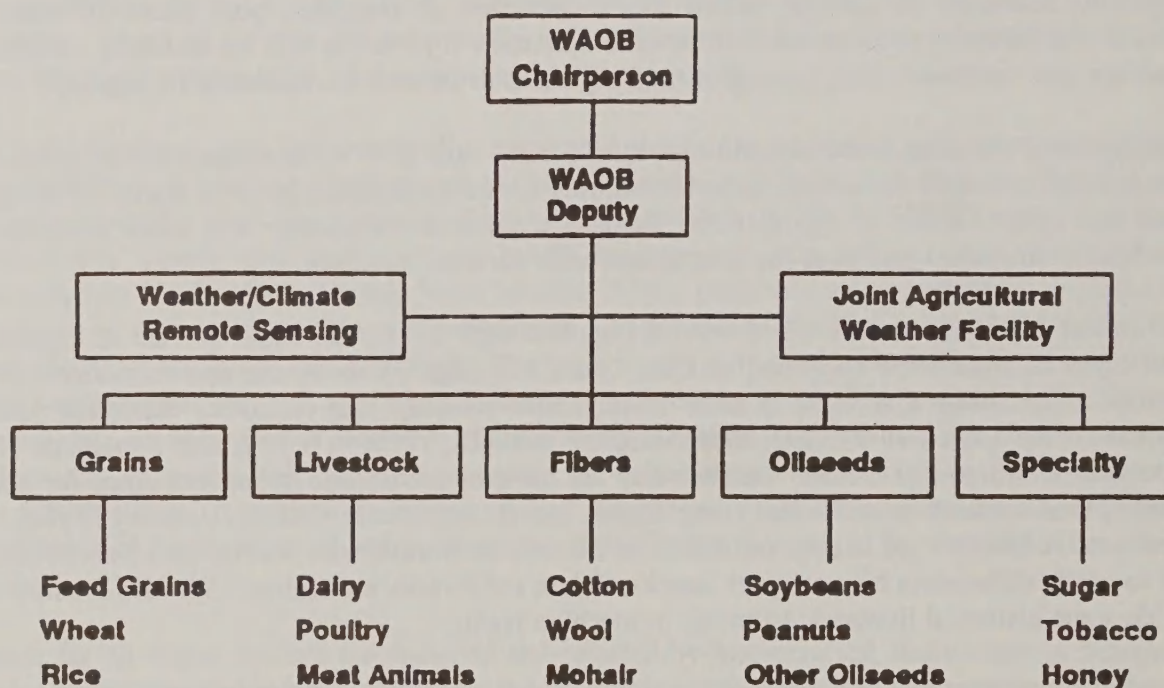
During the last 2 years, we have made several improvements to provide better service to data users. Many of these changes were requested at Data Users Meetings. One of the most significant is the inclusion of a Reliability Statement in each of our major releases. The reliability statement contains information on the source of the data, data collection methods, revision policy, and a measure of the "revision record" for major items. In addition, we have instituted size group estimates for sheep, published special releases on cattle and sheep losses, started a quarterly Catfish Inventory Survey, and provided some additional cold storage estimates. We have also worked with the National Pork Producers Council to verify differences between pork check-off data and livestock slaughter. We also are now able to provide some historical livestock estimates in machine media.

In the next few months, we will be working to determine a better definition of calves for the cattle inventory and cattle on feed data series. We will also begin providing better poultry slaughter estimates by estimating for missing plants, and improving the data edit and new formats for release tables. We are also working with the caneberry industry to provide additional categories of caneberries in cold storage.

## WORLD AGRICULTURAL OUTLOOK BOARD OVERVIEW

The World Agricultural Outlook Board (WAOB, World Board) is a small agency in the Department of Agriculture. The World Board is charged with coordinating and improving USDA's outlook work. It was established in 1977 to enhance the consistency, reliability, and objectivity of USDA forecasts. Under the World Board's direction, experts from several USDA agencies develop forecasts of commodity supply, utilization, and prices for both the United States and the world. Commodity analysts at the World Board chair Interagency Commodity Estimates Committees (ICEC's). These analysts chair committees in five areas; grains, livestock, fibers, oilseeds, and specialty crops. See the chart below for organizational structure of the World Board.

### INTERAGENCY COMMODITY ESTIMATES COMMITTEES



The World Board also reviews commodity and aggregate agricultural forecasts issued by the U.S. Department of Agriculture to make them as objective and accurate as possible. The World Board reviews all USDA outlook publications and many of these publications are cleared in formal interagency meetings.

The World Board also plays a pivotal role in coordinating the Department's work in climate and remote sensing. The Joint Agricultural Weather Facility is a cooperative activity of the World Board and the National Weather Service of the U.S. Department of Commerce. Meteorologists track weather developments around the world and these data are used as inputs in making commodity forecasts.



# WORLD AGRICULTURAL OUTLOOK BOARD OVERVIEW

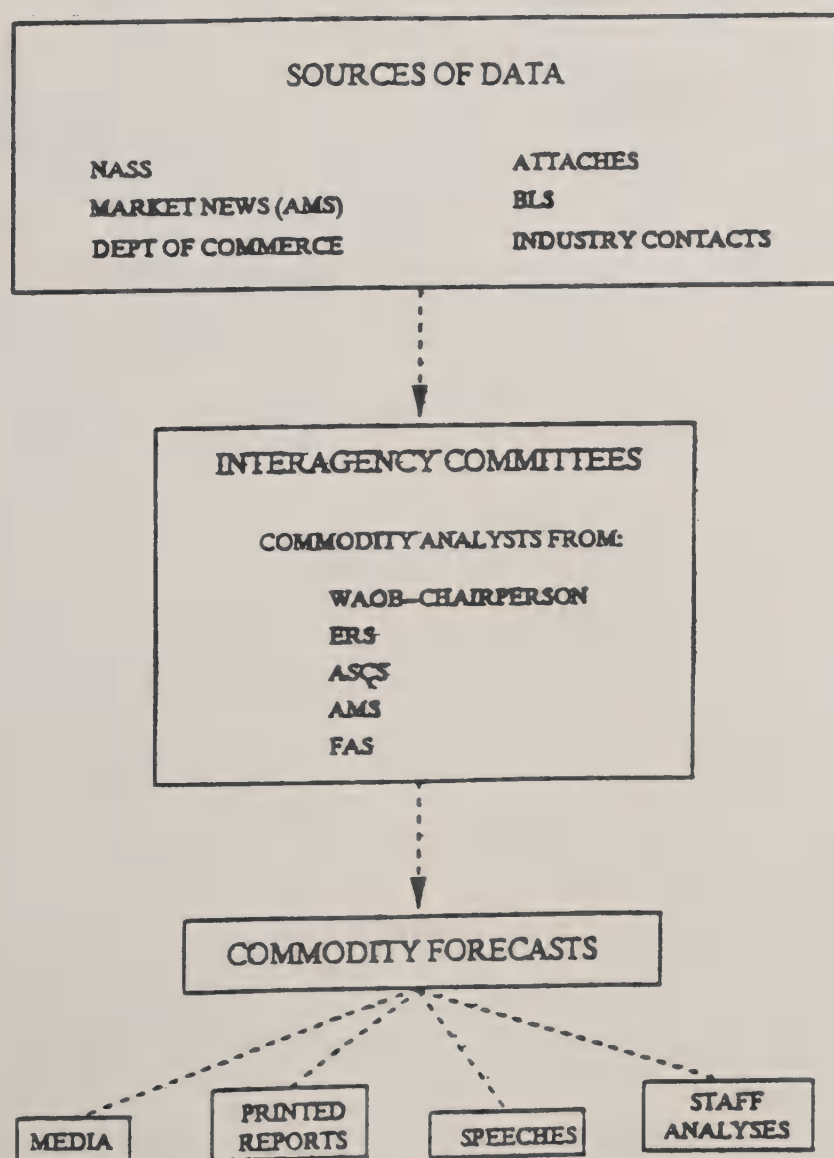
## (Continued)

The ICEC's use many sources of data in making and monitoring commodity forecasts. In the livestock area, we use NASS reports such as Cattle, Cattle on Feed, Hogs and Pigs, Milk Production, Dairy Products, Livestock Slaughter, and Cold Storage to mention a few. These serve us in many ways' from providing us with the base from which to make production forecasts to monitoring some of the forecasts we have made.

Trade data comes from the Bureau of the Census in the U.S. Department of Commerce. Reports from attaches around the world provide information that is useful in making forecasts for foreign countries and in preparing trade forecasts for U.S. commodities.

Market news reports are used to track price developments and to monitor many of the price forecasts. Much of the data on retail prices that we use comes from the Bureau of the Labor Statistics. We also use information gained through industry contacts in making commodity forecasts.

When the ICEC's meet, they take data and information from all of these sources and make the commodity forecasts. These forecasts are then used in many different functions within the Department of Agriculture. The following chart outlines the process.



## **WORLD AGRICULTURAL OUTLOOK BOARD OVERVIEW**

### **(Continued)**

The only outlook publication that the World Board is directly responsible for is the World Agricultural Supply and Demand Estimates (WASDE) report. This is published once a month under a secured lockup. The report is released at 3 p.m. on the day it is prepared. Since April 1982, U.S. supply, use and price forecasts for livestock, poultry and dairy have been included in this report.

Two significant WASDE modifications were made in the livestock, poultry, and dairy area during 1991. The first was publishing reliability estimates for the annual production of beef, pork, broilers, turkeys, eggs, and milk. This started in January 1991 and these reliability estimates are now included in each month's issue of the report.

The second change has to do with the milk forecasts. We used to forecast year-end uncommitted inventories of dairy products held by the CCC. The feedback that we got from users was that it would be more useful if we would forecast CCC net purchases of products for the year rather than the uncommitted inventory. This change was made in November 1991.

## ECONOMIC RESEARCH SERVICE OVERVIEW

The Economic Research Service's Outlook and Situation program is a major data user. The publication schedules of most commodity situation and outlook reports are keyed to the release date of the major statistical reports. The Outlook and Situation reports provide the current intelligence and historical data on national food and agricultural developments. These reports discuss the Department's latest forecasts of supply, demand, and prices for all major commodities. The commodity situation and outlook reports contribute to the broader publications, such as Agricultural Outlook, Food Review, and Economic Indicators of the Farm Sector.

The major reports concerning the livestock sector are the Livestock and Poultry and Dairy Situation and Outlook reports. Livestock and Poultry is published 6 times per year and Dairy 4 times. In order to get monthly information out to users faster, the monthly newsletter, Livestock and Poultry Update, was developed. The newsletter emphasizes monthly developments and data. Quick turnaround is achieved by an accelerated clearance and a page limit of 6. Talks between the United States, Canada, and Mexico concerning a North American Free Trade Agreement have placed greater emphasis on the discussion of international events and trade forecasts in the outlook reports.

### Livestock and Poultry Update

- Emphasis on Quick Turnaround.
- Prepared Monthly - Keyed to Cold Storage Report Release
- Components
  - Text Summarizing Current Market Developments
  - Latest Livestock Statistics and Prices
  - Retail Prices and Spreads
  - Costs and Returns
  - Latest Poultry and Egg Statistics and Prices
  - U.S. Imports and Exports

### Dairy Situation and Outlook Reports

- Published Quarterly
  - January, April
  - July, October
- Key Components
  - Wholesale Farm and Retail Prices
  - Government Activities
  - Stocks
  - Conditions in Individual Product Markets
  - Expanded International Coverage
    - U.S. Trade
    - International Market Conditions



## ECONOMIC RESEARCH SERVICE OVERVIEW (Continued)

### Statistical Products

- Poultry Statistics
  - Prepared Annually Following Production Revisions
  - Latest is "U.S. Egg and Poultry States, 1960-1990"
  - Available for Sale on Computer Diskettes
- Livestock and Meat Statistics
  - Latest is "Livestock and Meat Statistics, 1984-1988"
  - Update in Process Taking Data Thru 1991
  - Plans for Diskettes
- Dairy Yearbook
  - Released in August Each Year
  - Available for Sale on Computer Diskettes

### Livestock and Poultry S&O Report

- Prepared Six Times Each Year
- Rotates Species Featured
  - Hogs - January, July
  - Cattle - February, August
  - Poultry - May, November
- Schedule Follows Major NASS Releases
  - Hogs and Pigs
  - Cattle
  - Poultry Production and Value

### Regularly Published LD&P Reports

- Livestock and Poultry Situation and Outlook Report
- Dairy Situation and Outlook Report
- Livestock and Poultry Update
- Data Yearbooks
- Electronic Data Products

## AGRICULTURAL MARKETING SERVICE OVERVIEW

The primary function of the Livestock and Grain Market News Branch is to provide accurate and unbiased market reports depicting current conditions on supply, demand, price, trend, movement, and other pertinent information affecting the trade in livestock, grain, meat, feedstuffs, and wool. Depending upon the location, several reports are released each day which cover trading at major marketing centers and production areas.

The livestock marketing structure has changed significantly during the last few years and we can reasonably expect additional changes to take place. As a result, market reports must be developed and/or revised to reflect these changes in order to provide market information on a current basis. The following paragraphs will highlight some of the more recent changes which have taken place in livestock reporting.

### Sheep and Lamb Reporting

A full time reporter has been placed on the meat trade to expand the amount of market information available to the lamb industry. A lamb carcass cutout value has been developed predicated on the Boston to Washington, D.C. area less than carlot lamb cut trade. The cutout value uses the four major cuts shoulder, rack, loin, and leg and is derived for carcasses under 65 lbs. and for carcasses over 65 lbs. As the industry moves toward more standardized cuts, it should be possible to develop a midwest lamb cut report and a midwest lamb cutout report. Other reports which we plan to initiate are a lamb by-product and pelt report and a certified carcass lamb report. Increased emphasis is being placed on reporting live lamb sales, especially for lambs which are contracted. However, producer assistance will be necessary to substantially increase the volume of live lambs which are reported.

### Feeder Cattle Reporting

Feeder cattle reporting has moved into the electronic age with market reporters using laptop computers to record sales information. Entering data in the computer enables us to compile information which had not been available under previous methods of collecting price information.

As the livestock are sold, the reporter enters the number of head, sex, weight, grade, and price into the computer. At the completion of the sale, a report is produced (Exhibit I) which categorize this information by 50-pound weight increments and provides a weighted average weight and price in addition to the more traditional weight and price spreads. The reports provide an indepth look at feeder cattle prices at individual markets and provides producers and other industry members with detailed information from which they can make marketing decisions. Laptop computers are primarily being used to report markets in 12 midwestern and inter-mountain States, but the use of computers will be expanded to other locations.

### Slaughter Hog Reporting

At the request of industry we have developed a report based on the expected lean yield. The report is predicated on the backfat and lean of the hog carcass and calculates the meat price of the carcass based upon the predicted lean yield and carcass weight. The matrix (Exhibit 2) is a mathematical process which can relate several alternative adjustments in relating a value and should help producers visualize which carcass have the greatest or least economic value. As a result of research, the matrix was developed with the primary basis for value being lean, determined on individual packer fat measurement which may be adjusted for superior or inferior muscling. We expect to initiate and begin releasing the report covering direct hog sales in the southeast U.S. by mid-summer.

### Import and Export Information

Recently, we initiated daily and weekly reports covering the export of livestock to Mexico through Texas Department of Agriculture facilities. We also have been able to obtain the number of livestock imported to Texas from Mexico on a weekly basis. We plan to expand our coverage to border crossings in other States along the Mexican border later this year. Once completed, we will have current information on all livestock which are imported or exported between the U.S. and Mexico and Canada.

Receipts: 8600

LAST WEEK 9600

LAST YEAR 9550

COMPARED WITH LAST WEEK: FEEDER STEERS 300-600 LBS NOT ENOUGH FOR AN ACCURATE MARKET TEST, LIMITED SALES STEADY; 600-750 LBS STEADY TO 1.00 HIGHER; 750-900 LBS STEADY; FEEDER HEIFERS 300-550 LBS 2.00-3.00 LOWER IN A LIGHT SUPPLY; 550-700 LBS 1.00-2.00 HIGHER; 700-800 LBS STEADY TO 1.00 HIGHER.

## Feeder Steer Medium and Large 1

Head	Weight	Avg Weight	Price	Avg Price	
12	360 - 370	361	102.00 - 103.00	102.83	
15	393 - 393	393	98.50 - 98.50	98.50	STEERS&BULLS
48	501 - 539	521	91.00 - 96.00	93.40	
31	605 - 641	622	79.50 - 83.00	80.15	
17	601 - 601	601	85.00 - 85.00	85.00	THIN/GAUNT
165	653 - 688	673	77.00 - 80.10	78.41	
43	651 - 697	666	81.50 - 83.00	82.23	THIN/GAUNT
480	701 - 739	723	77.75 - 81.50	79.84	
732	752 - 799	777	74.90 - 80.50	77.00	
70	751 - 786	763	80.50 - 81.50	81.02	THIN/GAUNT
1224	800 - 849	826	73.50 - 77.90	76.02	
741	851 - 899	869	72.25 - 76.00	74.28	
376	902 - 944	919	72.00 - 73.75	72.64	

## Feeder Steer Medium and Large 1 - 2

Head	Weight	Avg Weight	Price	Avg Price
42	412 - 445	424	84.00 - 97.50	91.70
14	672 - 689	682	76.00 - 77.00	76.36
62	712 - 714	713	74.75 - 76.60	76.15
56	761 - 799	780	74.20 - 75.50	74.53
22	822 - 822	822	71.50 - 73.00	72.73

## Feeder Heifer Medium and Large 1

Head	Weight	Avg Weight	Price	Avg Price	
54	405 - 443	420	85.00 - 90.00	87.52	
56	475 - 481	479	86.00 - 87.50	86.43	
114	517 - 536	520	81.00 - 83.00	82.28	
121	558 - 593	584	79.50 - 83.50	81.79	
122	623 - 644	630	74.75 - 80.60	78.00	
375	652 - 699	680	74.25 - 79.50	76.08	
705	700 - 749	726	72.75 - 77.80	75.25	
40	703 - 749	735	71.50 - 72.00	71.85	FULL/FLESHY
405	751 - 795	770	72.75 - 75.00	74.15	
25	794 - 794	794	71.10 - 71.10	71.10	FULL/FLESHY
303	805 - 835	813	71.75 - 73.25	72.38	
13	963 - 963	963	70.25 - 70.25	70.25	



Mid-South Direct Hog Trade  
Hot Carcass Value Information  
Based on Individual Packers

## Lean Value Buying Programs &amp; Weight Differentials

Deliveries---->  
Hog Carcass Value

Weights	Percent Lean									
	41-42	43-44	45-46	47-48	49-50	51-52	53-54	55-56	57-58	59-60
	-3.00	-2.00	-1.00	0.00	0.75	1.50	2.00	2.50	3.00	3.50
	-2.50	-1.50	0.00	0.50	1.50	2.00	2.50	3.50	4.00	4.50
Carcass Wt 140-154										
-10.00	40.50	41.50	42.50	43.50	44.25	45.00	45.50	46.00	46.50	47.00
-8.00	44.50	45.50	47.00	47.50	48.50	49.00	49.50	50.50	51.00	51.50
Carcass Wt 155-162										
-3.00	47.50	48.50	49.50	50.50	51.25	52.00	52.50	53.00	53.50	54.00
-1.50	51.00	52.00	53.50	54.00	55.00	55.50	56.00	57.00	57.50	58.00
Carcass Wt 163-169										
-0.50	50.00	51.00	52.00	53.00	53.75	54.50	55.00	55.50	56.00	56.50
0.00	52.50	53.50	55.00	55.50	56.50	57.00	57.50	58.50	59.00	59.50
Lean Value	*****Base*****					*****Base*****				
Carcass Wt*										
170-184 *										
0.00 *	50.50	51.50	52.50	53.50	54.25	55.00	55.50	56.00	56.50	57.00
0.00 *	52.50	53.50	55.00	55.00	56.50	57.00	57.50	58.50	59.00	59.50
Carcass Wt*										
185-191 *										
0.00 *	50.50	51.50	52.50	53.50	54.25	55.00	55.50	56.00	56.50	57.00
0.00 *	52.50	53.50	55.00	55.00	56.50	57.00	57.50	58.50	59.00	59.50
Carcass Wt*										
192-199 *										
-1.00 *	49.50	50.50	51.50	53.50	53.25	54.00	54.50	55.00	55.50	56.00
0.00 *	52.50	53.50	55.00	55.00	56.50	57.00	57.50	58.50	59.00	59.50
Lean Value	*****Base*****					*****Base*****				
Carcass Wt										
200-207										
-2.00	48.50	49.50	50.50	51.50	52.25	53.00	53.50	54.00	54.50	55.00
-1.00	51.50	52.50	54.00	54.50	55.50	56.00	56.50	57.50	58.00	58.50
Carcass Wt										
208-222										
-3.00	47.50	48.50	49.50	50.50	51.25	52.00	52.50	53.00	53.50	54.00
-5.00	47.50	48.50	50.00	50.50	51.50	52.00	52.50	53.50	54.00	54.50
Backfat in	More	Less	Less	Less	Less	Less	Less	Less		
Tenths at	Than	Than	Than	Than	Than	Than	Than	Than		
10th Rib	1.4" ?	1.4" ?	1.3" ?	1.15"	1.00"	.9" ?	.75" ?	.6" ?		
Backfat in			1.20-	1.10-	.95-	.80-	.60-			
Tenths at	<---	1.35	1.35	1.25	1.15	1.00	.85	0.60		--->
Last Rib										

# **DATA USERS MEETINGS**

**Atlanta, Georgia**

**March 12, 1992**

## **GENERAL SUMMARY OF DISCUSSIONS**

### **Jerry Crews - Auburn University**

He feels that he is involved in filling many roles concerning data from the USDA agencies represented here. He is involved in education but finds he is in an intermediary role as far as disseminating information. He often needs to massage data to put it into an acceptable form for his audience. Sometimes he finds himself in a data defender role.

He mentioned a recent discussion with a farmer. The farmer's view was: "sure, I use Government information and analysis. I do just the opposite of what they recommend." About the only response to that type of attitude is "at least you are using information."

He doesn't believe that many producers use Government reports directly. Instead, they want someone to extract the important information, modify it, and interpret for that producer's commodity interests.

He wanted to express his appreciation for Duffy Barr's efforts while he has been the State Statistician in Alabama. That extends a long streak of good people in that office.

He is glad to see this type of meeting. It is always helpful to have personal contacts, so you will later have a voice you can relate to.

While people always want more data, he thinks we sometimes have almost too much information. It is difficult to know how to manage it all. Timeliness of information is important, but the shelf life of most agricultural data is longer than we might think. For the future, data networks and telecommunications will be important. How to organize all of the information will be the challenge.

### **Bob Brown - Farm Credit Bank**

He wants to echo Jerry's comments. It is important to get quick, consistent access. He wanted to know if USDA data bases were available electronically.

### **Rich Allen - National Agricultural Statistics Service**

There are not any USDA data bases on an electronic network at this time. Most USDA current statistical reports, as well as things like trade leads from the Foreign Agricultural Service, are available on the USDA Computerized Information Delivery System (CIDS). That is a contract for electronic transmission which is currently awarded to the Martin Marietta Company. This provides one focal point for USDA. Any commercial vendor which wants to offer USDA reports on their own network must get the reports from CIDS. NASS reports normally stay on CIDS 2 weeks or so after issuance. The Department has discussed whether data bases should be offered as an option, but it is not likely in the near future.

### **Jerry Crews - Auburn University**

He would like to see an interactive capability. For example, the NASS catalog lists some diskettes that are available for order. He would prefer to be able to spin off the data he needs onto his own diskette rather than submitting an order.

**Fred Surls - Economic Research Service**

ERS puts the press release for most Situation and Outlook reports on CIDS as soon as it is available. The full narrative is then on CIDS about a week later. The data tables are normally not output on CIDS since the CIDS formats are very restrictive, and ERS did not want to reprogram all tables.

ERS feels that trying to control very large data bases centrally is very difficult and expensive and might be self-defeating. The approach that is being taken instead is to develop a number of decentralized data bases with a central register of what is available. ERS is hoping to soon offer a bulletin board from which users could gain information or even download data bases.

**John Van Dyke - Agricultural Marketing Service**

AMS does not have much data on CIDS. They were required to put reports on CIDS at first. However, the volume of market news data swamped the system and it was not a good option for information which was updated several times a day. AMS has a separate contract for its own newswire (the contract is currently with U.S. Sprint). Every Market News report is on the AMS system along with some NASS reports. (It took a special USDA exemption to be able to offer the NASS information.) AMS sends people into the lockup area to create files for many NASS reports, so the information can be loaded quicker. The AMS contract does work well, although some daily reports are sometimes delayed while large weekly or monthly reports are loaded out.

**John McKissick - Georgia Extension**

How will access to the new AMS data base be handled?

**John Van Dyke - Agricultural Marketing Service**

So far there is no answer to how the public will be able to access the data bases, but AMS would like to develop that capability. This would be a new conflict with the CIDS and another exemption might be needed. AMS expects to set up data bases by commodity, and they are currently trying to develop support for the information.

**John McKissick - Georgia Extension**

He would strongly support the value of such a data base.

**Bill Thomas - Georgia Extension**

Will there be a subscription service for NASS diskettes in the future?

**Rich Allen - National Agricultural Statistics Service**

He has asked the staff members who have developed the current diskettes to consider a number of standard products such as all annual crop data or recent history for specific commodities which could be updated each year. This will be one of the areas that Duffy Barr will be responsible for in his new job in Washington, D.C.

**Larry Snipes - Georgia Agricultural Statistics Service**

Is the Federal Extension Service on the CIDS?

**Rich Allen - National Agricultural Statistics Service**

He is not sure whether they have subscriptions. NASS State Statistical Offices do have subscriptions. They are asked to put State releases like the Weekly Weather and Crop Bulletin on CIDS and they can get on to access reports as needed. They also provide access for State Directors of Agriculture through our Federal-State cooperative agreements.

**Bill Thomas - Georgia Extension**

Does this mean that Larry Snipes can get on the system and pull off data for other people?



**Rich Allen - National Agricultural Statistics Service**

Yes, Larry's office can access anything that is on CIDS. However, it is as a paying customer and NASS has not put much money into those accounts. Larry's office also has access on its regular telecommunications network to the Agency's Published Estimates Data Base which has most historical commodity estimates on-line.

**John McKissick - Georgia Extension**

Just getting a data base in the first place is only part of the battle. He would like to be able to download revisions or completely replace the data base after revisions are made.

**Jimmy Carlisle - Alabama Farmers Federation**

His organization has 6 people who represent 12 major commodities. They try to assemble as compatible data as possible and use those as similarly as possible. In trying to keep up to date on new figures it has been a pleasure to work with Duffy Barr. There have been occasions when Duffy has delivered figures on a weekend or a Federal holiday to be sure the data were available for an important meeting.

His organization knows it is important that everyone has the same numbers. They have faxed data to upcoming meeting speakers like the Governor to be sure everyone is on the same page. They use a lot of data in writing congressional testimony. They have used data from the agencies present today in making presentations to organizations such as Eli Lilly and McDonalds who were considering programs such as new pharmaceuticals and new meal offerings, such as catfish. They recently put on displays at the Moultrie, Georgia Expo which featured large pictures of various commodities along with data summaries.

**John McKissick - Georgia Extension**

Jerry Crews did describe many of the extension roles in the use of data. He feels that you might not find any producers who are direct users. As soon as he gets a report he analyzes it for its impact on Georgia. For assistance, he would like to get the ERS commodity analysis as soon as possible following release of the NASS numbers. He would then be able to better do his job.

**Lee Christensen - Economic Research Service**

He wanted to understand exactly what John meant as far as availability of ERS analysis..

**John McKissick - Georgia Extension**

Timing might be changed so an analysis of the impact of new hog numbers comes out right after the Hogs and Pigs report itself.

**Jim Nix - World Agricultural Outlook Board**

Would a report like the WASDE, which comes out on Crop Production report days, be what he is meaning?

**John McKissick - Georgia Extension**

Yes, a same day report would be the very best.

**John McKissick - Georgia Extension**

The lean meat processing program that John Van Dyke described is of great interest. How far might it go?



**John Van Dyke - Agricultural Marketing Service**

AMS is working with the industry to see where they want to go. The approach is to help the industry and not direct it. He thinks that AMS can put together a good series but it will take time. The lean meat pricing might change the basic way hogs are sold if it is accepted in the Southeast and spreads to other areas. Midwest producers are quite independent and might not want to tie into contracts.

**John McKissick - Georgia Extension**

Just seeing the prices that way will be a big educational tool. Will there be counts of the volume traded in the lean percent basis, by category?

**John Van Dyke - Agricultural Marketing Service**

He doesn't know how much detail can be reported. The volumes will be quite proprietary to the packer. Packers might want to release information since it might help them.

**Horace Horn - Alabama Poultry and Egg Association**

He wanted to comment on his experiences when he attended one of the NASS Lockup briefings. It was a good explanation of how NASS collects and assembles its data. Many of his uses of data involve breaking poultry data down as completely as possible. Much of the recent efforts have involved environmental work with the Tennessee Valley Authority, the Environmental Protection Agency, Auburn University, Soil Conservation Service, and the Alabama Department of Environmental Management among others. The USDA data have aided greatly as they try to "stay ahead of the curve." He feels that Alabama poultry producers have led the nation in environmental awareness.

The placement and production numbers are scrutinized very closely. The Alabama industry is trying to be number 2 in production. If they turn out to be number 3 again, they may feel that Duffy Barr doesn't have the right numbers.

**Rich Allen - National Agricultural Statistics Service**

NASS has been involved in many environmental studies the past 2 years, mainly through the Presidential Water Quality Initiative and the USDA Food Safety Initiative. A second annual agricultural Chemical Usage report for field crops will be out next week and a fruit and tree nut agricultural Chemical Usage report will be out later as a parallel to the vegetable report last year. Nothing has been done yet to measure chemical usage around poultry and livestock, but that will likely be coming.

**Jimmy Carlisle - Alabama Farmers Federation**

His organization is considering looking at selecting Board members by production of various commodities as well as by area. This is another need for small area production data.

**Jerry Crews - Auburn University**

He echoed the need to have county level data for evaluating environmental questions.

**Don Dalton - Southeastern Poultry and Egg Association**

A lot of his analyses are in the financial investment area, and the detail level data are vital for those decisions also.

**Jimmy Carlisle - Alabama Farmers Federation**

Plant location decisions are always based on projecting supply and demand for as finely divided data as possible.

**Larry Snipes - Georgia Agricultural Statistics Service**

He commented that county estimates are probably his most popular data series. He pointed out to the group that the NASS federal program does not cover poultry and livestock county estimates; they must be covered by the State contributions. With the State budget cutbacks in Georgia, it has been hard to keep his program going. His Federal budget for extra questionnaires for crop county estimates has also been tightened. Georgia does not have official county poultry numbers because of the integrated operations which can not be published at the county level.

**Dan Cunningham - Georgia Turkey Association**

The Georgia Extension Service does its own county level poultry numbers survey since Larry can not publish the data.

**Walt Prevatt - Auburn University**

He wants to compliment NASS for adding details to its reports whenever it can. More data does make extension specialists work harder to serve their customers. He finds that localized details are getting more important all the time. For many cases, district level (combinations of counties) may be sufficient. One of his main current interests is expanding the amount of farm land value data since there are varied production areas in the State. District level data would be very helpful.

**Rich Allen - National Agricultural Statistics Service**

Would the agricultural reporting districts that the Alabama Agricultural Statistics Service office uses be the proper districts or would some other combinations of counties be needed?

**Walt Prevatt - Auburn University**

The agricultural reporting districts would do quite well since they parallel major soil type divisions.

**Rich Allen - National Agricultural Statistics Service**

He asked Larry Snipes to comment on his new series for district peach data.

**Larry Snipes - Georgia Agricultural Statistics Service**

Up to a few years ago, there were three different combinations of counties used for tracking peach production. His office used the agricultural reporting districts but Extension grouped peach counties together in another manner and a peach growers association used yet another combination. This problem came to a head in one of the disaster program years since each district combination would mean a different payout level. He agreed to issue peach district estimates for a new grouping of counties if all parties could agree. That has been finalized and he has about 3 years of new reports.

**Bob Brown - Farm Credit Bank**

He is in charge of credit operations in a 4-State area. The bottom line comes down to how much risk are we willing to assume by commodity. At one time, agricultural land values for much of Texas were pumped up by oil and gas in one way or the other. Since that has gone bust, the value has to be supported by ag operations only. For PCA lending, they use an approach of calculating long-term historical information and benchmarks. They use all available published data then work with Extension in the 4 States to develop agreement for their series. He also stated a need to obtain more data through electronic media.

**Rich Allen - National Agricultural Statistics Service**

How long a data series does PCA use?

**Bob Brown - Farm Credit Bank**

They use 5- to 7-year rolling averages for prices and production. They look for the same information in individual farm plans.

**Mike Huff - Packers and Stockyards Administration**

His agency is charged with regulatory review of stockyards. He works closely with Talmadge Williams of the Georgia Agricultural Statistics Service on livestock numbers. The work of his agency is changing as packer direct purchases increase and video auctions become more of a factor. He does not use much other agency data himself, but his headquarters organization does for studies like the mandated packer concentration study.

**Bill Thomas - University of Georgia Extension**

He wants to mention a couple of simple things that he has run into recently. Someone asked him how many people are fed by one farm worker. He knew that was in an ERS publication. He found a figure in a 1989 publication but wasn't able to find out if a later figure had been published. Many of the regularly scheduled series always list when the next edition will be. That would be particularly helpful for infrequent publications.

He might have one suggestion for something to stop doing. The January 1 inventory breakout, which tallies every operation that had at least one milk cow anytime in the past year, is misleading. It doesn't tell anything about productive capacity and it conflicts with other data such as licensed dairy farms. The July size group breakout is more helpful but not perfect since it still doesn't zero in on commercial operations. He often calls Talmadge Williams of the Georgia Agricultural Statistics Service for help when he needs numbers.

Another item that he wanted to mention was disaster program estimates. If data are not available for minor items, Extension often is the organization which comes up with something for ASCS to use.

One last item is that ornamental horticulture is likely the second largest agricultural revenue industry. Thus, it is a very important piece of the pie but not covered except for the floriculture portion. There is interest in Georgia of getting some surveys started.

He also wanted to comment that the Dairy Situation and Outlook publications are usually a lot of situation and very little outlook. He says several of the regional dairy economist have pointed this out. Also, the reports do not have charts or tables showing the outlook. He knows the ERS dairy staff does have opinions, but they don't seem to get published.

He has one question for NASS. Dairy is increasing in Georgia and declining in some States which are covered monthly while Georgia is quarterly. Will that be reevaluated?

**Rich Allen - National Agricultural Statistics Service**

He complimented Mr. Thomas for his understanding of the January data series. It is total operations and is not limited to farms. NASS reviews all of its data series following the release of each U.S. Census of Agriculture. That is when changes are made in what crops are covered by State and whether any changes will be made in the monthly/quarterly data series. NASS wants to provide as complete coverage as possible, but it also is reluctant to disturb any data series so as many States will be kept on the monthly schedule as possible.

**Bill Pratt - National Agricultural Statistics Service**

He realizes that the present data series are not set up as commercial only. However, he has never felt that people agree on what "commercial" means.



**Bill Thomas - University of Georgia Extension**

He suggests that NASS look at the operations that each State has licensed to sell milk. Every State has licensing arrangements for grade A, grade B, etc.

**Dan Cunningham - Extension Poultry Specialist**

He finds that more of his work all the time has to do with compiling information for consumer clientele. Being able to localize information becomes more and more important.

He would like to see more data summarized on a regular (multi-State) basis. That would include aspects such as percents of flocks being forced molted, costs, and changes in the industry structure.

**Rich Allen - National Agricultural Statistics Service**

Does Dan find that he needs to summarize data differently for his consumer clients?

**Dan Cunningham - Extension Poultry Specialist**

The data needs are really very similar. It is a matter of using history to analyze what is feasible for the future.

**Rich Allen - National Agricultural Statistics Service**

He asked Fred Surls if ERS builds much regional analysis into its situation and outlook.

**Fred Surls - Economic Research Service**

Regional relationships are surely looked at for consistency, but he doesn't think much is published.

**Jim Nix - World Agricultural Outlook Board**

The hog and cattle analysts do more regional review than is done for poultry.

**Bill Thomas - University of Georgia Extension**

He understands that the State level cost of production data for dairy were released last year by an analyst contrary to an agreement with ERS. What are the chances that more cost of production survey data will be released in the future?

**Rich Allen - National Agricultural Statistics Service**

Yes, the dairy release was not authorized. ERS has informally shared some of the State level summary data in the past with university researchers as a method of getting some evaluation of the data and as a way of helping university staffers to better build cost of production models. After the unauthorized release of the dairy data, ERS did release that data set to anyone who requested it but with a disclaimer that the set did not constitute publishable level information. The immediate reaction from many ERS staffers was to stop sharing the unpublished data, so the unauthorized release could not occur again. However, it is likely that ERS will still continue to cooperate as widely as they can but with tighter restrictions.

NASS does receive many requests for unpublished data and fills requests when the data quality permits release. As one example, the agency received questions about further breakouts of hired farm workers. The data set was reviewed for number of reports, coefficients of variation of the internal estimates, and consistency. The data requested were then provided by publishing the information as a new data set that anyone can access.

**Bill Thomas - University of Georgia Extension**

He did have one other request for NASS. When data are too thin to publish for some States, group the missing States into regional combinations when possible instead of just one large "other States" grouping.



**Dick Schermehorn - University of Georgia Extension**

Data forms a very big part of all university programs. It is necessary to analyze and use many types of data for farmers and other customers. If there is something wrong with the data, the analyst often gets the blame instead of the data provider. Thus, these meetings are important both for analysts to better understand the data and for the data providers to understand the uses data are put to.

He also has been involved in a number of environmental questions and has found that at least county level data are needed. One thing that he has been wrestling with is the demand for vegetable production. This may be a good alternative for some farmers but production of so few vegetables is covered that it is hard to understand the full picture.

Extension specialists particularly feel a responsibility for small farmers since they usually don't have good access to commercial data bases. Therefore, it is important to get information out through county extension and other government agencies.

**Paul Ash - AmSouth Bank**

He is representing a different use of data--for commercial banking--but he needs much of the same types of information as others. He is largely a macro data user, looking for trends across Alabama and into eastern Mississippi. He needs growth rates in order to estimate consumption potentials. Duffy Barr has been very helpful in providing as much data as possible.

He pointed out that it is important to properly judge the consumption potential. For example, the total potential for catfish is much different than the potential for poultry. In working with cohorts in a number of Boards and commissions, he has found it is important to know the key players and data sources. He has more than 10 years of experience which gives him an advantage over many others.

**Dick Schermehorn - Extension Economics**

Does the Department of Interior Sports Fisheries Unit still put out some catfish information? Twenty years ago they had the only data.

**Jerry Crews - Auburn University**

He agrees with Paul Ash about the need for proper analysis. Catfish makes up only about 1 pound of the 18 pounds average per capita consumption of fish but it is much more important in the Southeast.

**Jimmy Carlisle - Alabama Farmers Federation**

He would like to see figures on water acreage by State. Extension in Mississippi does try to account for that acreage, but it is missing for other States. There are only some Soil Conservation Service guesses.

**Don Dalton - Southeastern Poultry & Egg Association**

He appreciates this opportunity to learn more about data sources. His primary uses of data have been for legislative initiatives and promotion activities for the broiler industry. He serves as a conduit of information for industries such as equipment suppliers. He has developed his own survey forms based on USDA forms with additional questions added. One thing that would help the industry would be increased reporting of meats by types of products -- leg meat, breast meat, etc. Also of interest would be byproduct information such as the use of chicken fat versus tallow, but that likely gets into some very internal company numbers. More export information is needed by country. The industry hopes to keep imports down, but good information is needed.

**John Pedersen - Poultry & Egg Fax**

He has long felt that poultry has been a stepchild of the meat industry. There has always seemed to be more information about the other meats.

He had a list of questions from a customer that illustrates what data users want to know. Do extension offices work through county Agricultural Stabilization and Conservation Service offices? If not, why not? Are there crosschecks of information between government offices? How are mortality and disappearance numbers determined? Why is there still a residual figure left when all losses are considered? Are "spent fowl" exported reported? If not, why not?

He has contacted AMS about shipments to Canada. One question that he had was whether the numbers of spent chickens are reported by inspectors since each spent chicken plant is inspected. He understands that AMS lost its egg supervisor in Washington, D.C. 2 years ago and doesn't believe the person has been replaced.

One factor in trying to do analysis of imports and export data is that the data are quite delayed. A different approach is to take production and slaughter data and refining them more. He would like to have a complete breakout of the setting of table eggs versus other. This could be a very important number.

**John Van Dyke - Agricultural Marketing Service**

As far as exports, AMS has not been picking up any price or volume information other than that from the Department of Commerce. In just the last 2 weeks, AMS has started picking up live animal exports to Mexico through 5 Texas ports. (In the first week, 12,000 sheep were reported.) AMS is also looking at some import data. Mexico has a Market News program similar to the U.S. It was dormant for a while but is now growing again. Mexico is looking at poultry side data.

**Walter Prevatt - Auburn University**

He would like to know more about the new feeder cattle format.

**John Van Dyke - Agricultural Marketing Service**

Twelve States in the midwest are using the laptop computers as the test area. Some of the machines have been redistributed. Soon everything from Iowa west will be covered. The machines will eventually move to the southeast. The formats are available now if the State Market News people can find the computers.

**Walter Prevatt - Auburn University**

What weight groups are being used by AMS?

**John Van Dyke - Agricultural Marketing Service**

Data are picked up by 50-pound increments and by frame size.

**Fred Surls - Economic Research Service**

On behalf of ERS, he has appreciated today's input. There are new demands but resources are shrinking. It is important to hear from situation and outlook users since there will be some situation and outlook changes in the next few years.

**Gerald Bange - World Agricultural Outlook Board**

He echoes Fred's thoughts. These sessions are appreciated in trying to improve service.

**Jerry Crews - Auburn University**

Is there a place for more information on how data are put together, summarized in a form for the layman?

**Fred Vogel - National Agricultural Statistics Service**

There are plans on his desk for some brochures that should be ready in the next year.

**Rich Allen - National Agricultural Statistics Service**

Progress is being made on a major reworking of Scope and Methods which is a complete but fairly technical summary of NASS procedures. It would be of interest to most people here today but not appropriate for most of your customers. There will also be a reworking of Preparing Agricultural Statistics which is more general purpose.

**Lee Christensen - Economic Research Service**

He would like any comments that people have on price spreads.

**Bill Thomas - Extension Economist**

Data users always prefer point estimates to publishing ranges.

**Bill Thomas - Extension Economist**

Will there be a commodity by commodity analysis of the GATT if it is concluded?

**Fred Surls - Economic Research Service**

ERS has already devoted a tremendous amount of time to analyzing every proposal. This will enable the USDA to issue an analysis as soon as GATT is finalized.

**Dick Schermehorn - Extension Economics**

Who is sponsoring different universities doing commodity analyses on free trade? The Farm Bureau has announced some of the results, but he is not sure who has paid the bill.

**Jim Nix - World Agricultural Outlook Board**

He did see some Farm Bureau reports, but they sounded like Farm Bureau analyses to him.

**Bill Thomas - Extension Economist**

One possibility for moving these meetings around the country would be to hold them in conjunction with regional outlook meetings.

**Fred Vogel - National Agricultural Statistics Service**

The Data Users Meeting coming up in Denver will be in conjunction with the Industry Outlook meeting there. A similar combination was used in Chicago last year.



# **DATA USERS MEETINGS**

## **Washington, D.C.**

### **March 18, 1992**

#### **Nancy Yanish - Food Marketing Institute**

Her organization represents supermarkets. Her main uses of data from these agencies are to prepare materials for lobbying Congress and to keep up with the supply and demand situation for hints that some supplies might be too large, and customers will want assistance in moving those supplies. She talks to AMS and ERS employees regularly with many questions.

She finds there is considerable confusion about the interpretation of price spreads. She often has to educate people that price spreads do not mean profit or margins. There was an old ERS publication which explained price spreads. Perhaps it should be updated.

If she could make one change in Government price reports it would be to emphasize that series should track the products that are actually moving. For example, the BLS retail prices measure half gallons of whole milk but that is no longer a major portion of milk sales. Series should keep up with consumer habits and patterns.

She wants to compliment ERS employees for always being helpful in answering her inquiries.

#### **Terry Crawford - Economic Research Service**

As far as milk, what should be priced?

#### **Nancy Yanish - Food Marketing Institute**

Gallons of 2 percent milk would represent a much larger portion of sales.

#### **Walt Wasserman - Cornell University**

The New York Department of Agriculture and Markets does collect wholesale milk prices, but he can't get them anywhere else.

#### **Gary Latta - Crowley Foods, Inc.**

He would second the use of 2 percent milk as a better price indicator.

#### **Joe Arata - Merrill Lynch**

His main job is to perform economic analyses for the company's house commodity traders. However, Merrill Lynch once got stuck with some cattle and they are now financing a lot of cattle, so he is involved in hedging that volume.

He collects and uses all the data that he can. He has reached a conclusion that he would rather have one very good number than to get a whole series of poorer quality figures. That leads him to question whether NASS could improve the 4 quarterly Cattle on Feed reports if all resources were used rather than doing the 12 present reports.

He was surprised that USDA went to the Friday Cattle releases. From looking at the near term futures, he hasn't felt that the reports have been very price sensitive, particularly the monthly Cattle on Feed.

The material that is included, which evaluates past performance, he finds very helpful. He would like to see even more evaluation of performance on subcomponent estimates. He also likes to look at issues such as turning points so would appreciate more comments from USDA analysts.

He appreciated the material today on how NASS makes adjustments. That makes him more comfortable with the present data series. However, he would like more information about how the revision process is done - data used and amount of subjectivity involved.

He particularly likes the ERS publications which compile the key numbers from all related series. That often provides all he needs but then he can go back to the original data report if he needs more details.

If there is something he would change it would be to add even more about exports. He wants to know where things are selling and for how much.

**Terry Crawford - Economic Research Service**

What type of export prices does Joe mean?

**Joe Arata - Merrill Lynch**

He might be able to find out that a big shipment of a particular cut of beef is on its way to Japan, but he normally can not find out at what price.

**Fred Vogel - National Agricultural Statistics Service**

Yes, devoting all cattle on feed resources to four quarterlies instead of the present 12 reports would improve the quarterlies. However, NASS took a different improvement approach. The best quality cattle survey that NASS can conduct is the large January Cattle Inventory Survey. In the past, the January cattle on feed was conducted independently. One major change that NASS made was to tie the cattle on feed sample into the January inventory sample. Sample sizes have also been adjusted. However, a major problem can still remain since NASS has not been able to get weight group data for many operations. Some operations will not take extra time to report the weight groups; others feel that they can't tell what the weights are. In some cases a bookkeeper might have all of the inventory, placements, and marketing numbers but it would take information from someone else to get the weights.

**Bill Pratt - National Agricultural Statistics Service**

One other main change that NASS has made is to establish fixed samples for monthly survey followup. Formerly, offices did enumerate large operations but might collect much of the information from smaller operations by mail. Thus, the operations summarized could fluctuate from month to month and affect indications. Now the offices are to account for all operations that were selected.

**Rich Allen - National Agricultural Statistics Service**

Much of the analysis on the affect of different days of release was done by John Ginzle using nearby futures price movement. His conclusion was that the marketing patterns were affected by reports earlier in the week. John did not get his work published before he left USDA.

**Bill Pratt - National Agricultural Statistics Service**

Some analysts suggest that NASS should stop publishing expected marketings figures with the Cattle on Feed reports. Should they be dropped?

**Joe Arata - Merrill Lynch**

The present performance is definitely not good. Is that due to not having enough weight data?

**Bill Pratt - National Agricultural Statistics Service**

There actually are two indications that are used. One approach is to ask operators how many will be marketed in the next quarter. The second approach is to analyze present weight group distribution versus previous distributions and actual marketings. Neither approach has performed well the last couple years.

**Jens Knutson - American Meat Institute**

What is the rationale for the 1100 and over weight group? Those cattle are usually marketed before the report comes out.

**Bill Pratt - National Agricultural Statistics Service**

He normally doesn't get many questions on the high end of the weight groups. With large frame cattle, many people argue for a higher low end break than 500 pounds. NASS would be willing to consider a change if there was general agreement but would parallel the old breaks for a while.

**John Hardin - National Pork Producers**

He has some general comments on export information. Many of the major competitors for the U.S. are managed trade countries such as Australia and Denmark. Since the U.S. utilizes private trade, our sellers are at a great disadvantage without more price and export data.

**Jens Knutson - American Meat Institute**

His observation is that the switch to the harmonized system has really gummed things up. Data do not seem to be as clearly classified as before. Is there any way to get export data faster?

**Ed Cissel - Foreign Agricultural Service**

There is normally a 6-week to 2-month lag in getting data from the Department of Commerce.

**Jens Knutson - American Meat Institute**

When did final 1991 data become available?

**Jim Nix - World Agricultural Outlook Board**

That was about a month ago.

**John Hardin - National Pork Producers**

When the data did come out, there was a big jump in December data.

**Gerald Bange - World Agricultural Outlook Board**

Dewain Rahe of FAS gets agricultural trade data from Commerce. The amount of detail reported depends on how the data is coded or categorized when collected. Final 1991 data were available in the latter part of February 1992. It now takes Commerce longer to process data than in the past.

**Jim Nix - World Agricultural Outlook Board**

USDA has gone back to Commerce to have them reevaluate some data after harmonization. Corrections or changes have been made by Commerce on occasion.

**Rick Brown - Urner Barry Publications, Inc.**

What is the absolute fastest way to get data such as the export numbers?

**Ed Cissel - Foreign Agriculture Service**

Some people keep in touch with analysts to be sure they know when data are present.

**Gerald Bange - World Agricultural Outlook Board**

Analysts can put in some specific reports upon request based on the code numbers.

**Rick Brown - Urner Barry Publications, Inc.**

Does USDA get the Commerce data from the CD-ROM or from tapes? He gets CD-ROMS's by mail but that takes several days.



**Doug Miller - Bureau of the Census**

The export data are handled by a different division at Census than his, but he will try to clarify what he knows. The CD-ROM approach should normally be faster than waiting for computer tapes to be duplicated. He believes there is a Federal Express option if someone wants to get the CD-ROM's the fastest way possible. The whole data base, both import and export data, is on laser disk, so the Census analysts can retrieve data on line for special inquiries.

**Doug Miller - Bureau of the Census**

The main job of the Agriculture Division is the periodic Censuses of Agriculture. They do work closely with ERS and NASS to determine if any data series or weight groups have changed that need to be reflected in Census questionnaire content changes.

**Rick Brown - Urner Barry Publications, Inc.**

What is the timing of the next Census and its data delivery?

**Doug Miller - Bureau of the Census**

The Census will be conducted at the end of 1992. Data will be available on a flow basis as States are completed with nearly all State and county data available by 1994.

**Terry Crawford - Economic Research Service**

Will the 1992 Census be available on a CD-ROM?

**Doug Miller - Bureau of the Census**

Yes, that will be one format, probably with some earlier Census data included. The Ag Division did recently release a public use file from the 1987 Census which is the first public use file from one of the Economic Census Divisions.

**Fred White - Agricultural Cooperative Service**

He works with co-ops for livestock, wool, and meat. One of the major data sources that he uses is the cost of production data on beef. When will they be updated?

**Terry Crawford - Economic Research Service**

The survey was conducted last year and data will be out this summer.

**Fred White - Agricultural Cooperative Service**

Since the national surveys are conducted so rarely, would it be better for ERS to use the State University budgets?

**Terry Crawford - Economic Research Service**

The major reason for not using the State budgets is inconsistency. At a major conference last year to discuss procedures and definitions, it was found that there were about 43 different formats in the various States.

**John Lee - Economic Research Service**

There are two major efforts aimed at trying to build more standard procedures. The American Agricultural Economics Association (AAEA) is co-sponsoring an effort to look at common approaches and formats. That effort to reach consensus started with the conference that Terry mentioned and has lead to several subcommittees continuing to work.

The second effort was started by Jim Lagrade and livestock people in Texas and the National Cattlemen's Association. They were looking specifically at livestock COP issues. AAEA is trying to work with them as a coordinated approach.

**Bob Yonkers - Penn State University**

There are additional cost of production data for Pennsylvania. The State Milk Marketing Board pays for milk costs of production data which are collected by the NASS State Statistical Office. With tight State budgets, he is not sure that this is an opportunity for other States.

**Walt Wasserman - Cornell University**

He thinks the New York NASS office also collects the cost of production data regularly.

**Fred White - Agricultural Cooperative Service**

Did the cattle COPS survey lend itself to estimating the differences in feeding costs for steers versus heifers?

**Terry Crawford - Economic Research Service**

The survey last year was primarily a cow-calf survey and didn't address feeding. However, there is a more recent cattle on feed series in the Economic Indicators publications. However, it does not separate out heifers versus steers.

**Fred White - Agricultural Cooperative Service**

He has a question for John Van Dyke about the shift to a calendar month basis versus the primary market week approach.

**John Van Dyke - Agricultural Marketing Service**

AMS will still have the weekly data but instead of having some 4-week months and some 5-week months, they will add the data from the split weeks into the proper months. They feel this is the correct statistical approach to take. AMS changed most things as of January 1, 1992, but conversion is still underway. It will take quite a while to convert all old data. Some offices are converting their own data rather than waiting for a central effort.

**Fred White - Agricultural Cooperative Service**

Was any study done or published on the effect of the change?

**John Van Dyke - Agricultural Marketing Service**

One concern with the old approach was if Monday was the last day of the month and a market operated only on Monday, that whole week was placed in the next month.

**Weldon Hall - Agricultural Marketing Service**

Another concern was that if someone was trying to convert to monthly averages by adding weeks, they were averaging averages. In John's example, the average prices for the week falling into the next month would include estimates for the Monday of the preceding month and result in a false monthly average.

**Ellen Newton - United Food & Commercial Workers**

Her major role is serving as a librarian to catalogue and retrieve data needed for situations like testimony preparation on the Mexican Free Trade Agreement. She has gotten particularly good assistance from Ken Nelson of ERS.

**Terry Hunter - Agricultural Marketing Service**

He serves as both a data supplier but also relies on figures from NASS and others to put on to the AMS Newslane.

**Jim Nix - World Agricultural Outlook Board**

He asked Terry to comment on the new way of getting monthly averages for the 12-city broiler price series.

**Terry Hunter - Agricultural Marketing Service**

He thinks the new calculations are much more correct statistically. Prices will be weighted by volume.

**Myles Levin - Bureau of Economic Analysis**

He works on updating national input/output tables which cover all products including agriculture. They update all of their data every 5 years. He is interested in how the annual NASS data are rectified with the 5-year Census data.

**Rich Allen - National Agricultural Statistics Service**

NASS does review all of its data series after each Ag Census is published. However, that review encompasses a full re-examination of all survey data rather than an adjustment to the Census as a benchmark. NASS State office employees participate in the Census final review and editing of data for their State by serving for a week or two as sworn Census agents. During that time, they can match up areas of interest such as large hog operators and chicken contractors to minimize duplications and omissions in the Census. Thus, much information is available for interpreting each State's proper level.

**Steve Birch - Commodities Corporation**

His role is that of a livestock researcher who serves 25 in-house traders. He uses all data that are available but has some questions on the data. First, what agency has the last revisions?

**Terry Crawford - Economic Research Service**

His staff tries to keep up to date so they will have incorporated all NASS revisions.

**Steve Birch - Commodities Corporation**

He likes the tables and explanations that NASS provides on procedures and past performance. He does read the measures of sampling variability and would like to see those expanded to weight groups and other breakouts.

For much of his research on hogs, he uses the national numbers more than States. Although he knows the basic procedures, he would like to see a monograph on exactly how NASS carries out its interpretations to set the national numbers and why they set that number.

He also is interested in using some foreign livestock numbers like for Russia. Where are the best numbers?

**Jim Nix - World Agricultural Outlook Board**

Some information is being published by USDA now.

**Gerald Bange - World Agricultural Outlook Board**

In the short run, the breakup of the former Soviet Union presents us with significant data collection and analysis problems. Whereas, we had one entity to collect data from previously, we now have 15 separate entities to monitor and analyze, including the three Baltic States and the 12 republics of the former Soviet Union. Right now, there are many voids in the data. USDA is in the process of coordinating its economic data needs with the Department of State. Initially, it is likely that our reporting will be in large-scale aggregates possibly, for example, the Baltics and the "former Soviet Union-12." Later, more country level data will be reported as it becomes available. We are cautiously optimistic that we will gain access to the data we need, but it will take time.



**Steve Birch - Commodities Corp.**

Who looks at Export Enhancement Program (EEP) decisions such as meat to Russia? He knows the National Pork Producers has done an analysis and made their recommendations.

**Ed Cissel - Foreign Agricultural Service**

The lead role goes on the Export Credits Staff in FAS. They call on other USDA analysts for information and opinions. Recommendations then go to the Under Secretary.

**Jim Nix - World Agricultural Outlook Board**

The Export Credits Staff does call on WAOB and the livestock analysts on Terry Crawford's staff in ERS.

**Jim Horsfield - Economic Research Service**

As far as the question on procedures, there are a number of monographs available as the major statistical series of USDA. That series is mentioned in the Reports brochure.

**Russel Whitman - Urner Barry Publications, Inc.**

He recently received a facsimile copy of some turkey products data in metric tons. What was the source of the data? How could he get it in the future? (He passed copies of the data to Jim Nix.)

**Jim Nix - World Agricultural Outlook Board**

This looks like a run from the data FAS gets from Commerce. Similar data are published monthly by FAS.

**John Lee - Economic Research Service**

ERS does maintain a trade data base. The data from Commerce are reviewed and cleaned up and kept on file. Some data are published in the Foreign Agriculture Trade for the United States (FATUS) series but others are kept for reference and research. Some of those data could be made available upon request. They are presently in many different data bases.

**Terry Crawford - Economic Research Service**

He commented that his staff maintains a file of annual data by country.

**John Van Dyke - Agricultural Marketing Service**

He wanted to point out that AMS is currently picking up export data directly at border crossings in Texas. Thus, they can pick up today's shipments and report tomorrow. The data will be unofficial but are good and will be much more timely than Commerce data.

**Jens Knutson - American Meat Institute**

He is glad to see this type of meeting and hopes they will continue. One advantage that he sees is the chance to get early information on data series that analysts may be questioning before concerns break out as public criticisms. He does have a number of comments or requests.

He would like to see trade data on a more timely basis. Also, FATUS data on a fiscal year basis are not very helpful to him. He would like to have them on a calendar year basis.

He is glad to see the progress in poultry conversion. That will be even more important than people visualize right now.

He commented that it is difficult to use Census of Manufacturing data. That Census might show a certain volume for meat packing, but AMI data will account for more. It is partially in the coding; for example, IBP does not get classified as a meat packer by Census since they ship boxed products, not the unboxed product.

He feels that cold storage reports are getting less and less useful. There is a high volume of "other pork" and he wonders what is included. Similarly, ham numbers seem low, so he feels there may be unusual reporting between boned and boneless products. They have talked to some organizations to see how the forms are filled out and have talked to NASS. AMI is now working with the turkey industry. Cold storage is a major market mover for that industry.

**Rich Allen - National Agricultural Statistics Service**

Could Jens' concerns be handled with finer definitions on the cold storage survey?

**Jens Knutson - American Meat Institute**

That might be possible, but the difficulties might go very deep.

**Russell Whitman - Urner Barry Publications, Inc.**

He would like some education on the revision procedures. There are weekly data for 12 cities, then monthly Cold Storage reports which might revise earlier data.

**Rich Allen - National Agricultural Statistics Service**

The cold storage program is designed as a census but not all reports will be obtained in a current month due to refusals and to the fact that the proper person to report might not be available. Occasionally, an operation which has refused and been estimated for will restart cooperation. In those cases, revisions will be made. Similarly, if a report was missed for only 1 month, an educated level will be estimated based on the level on the previous report and seasonal movement. That imputed value may be corrected a month later.

**Bill Pratt - National Agricultural Statistics Service**

A specific situation that sometimes occurs is that if a new bookkeeper takes over and determines the previous reporting was not quite right. That happened in the last year when Firm "A" bought Firm "B" and the reporter for "A" found some misinterpretations in the historical Firm "B" data.

**Jens Knutson - American Meat Institute**

He has been working with Bill Pratt on cold storage data, but he found out the turkey industry had not been communicating much with USDA. He would advise the agencies here to go to trade groups when budget or other support are needed.

**Walt Wasserman - Cornell University**

In his work as an Extension Milk Marketing Specialist, he uses USDA data on a daily basis. He wants to break out a number of data requests which would help his analyses.

Under Dairy Products, there are many States which can't be published for confidentiality reasons for nonfat dry milk. It would be helpful to break those States into region groupings which could be published.

Could cheddar cheese be broken out by blocks and barrels? Some regional processed cheese numbers are needed. Fluid milk by State for processing should be estimated.

For Milk Production, different groupings of size groups with at least one breakout of the 100+ herds would be better.

In the Milk Production, Disposition, and Income report, where does the supply and utilization of milk for the U.S. figure come from and what does it include?

In the ERS Supply and Utilization data, can disappearance be estimated on a solids basis as well as a fats basis? There used to be data on domestic consumption, military, etc., but now there is only commercial disappearance. Can ERS go back to "consumption exclusive of donations."

**Terry Crawford - Economic Research Service**

He thinks the change came about due to changes in population data available. Specifically, the handling of military was changed. The resident basis data figures are the most comparable to what Walt wants.

**Jim Nix - World Agricultural Outlook Board**

The military was dropped out of the meats data also. The former series was not very good data; it covered the dollar value well but not necessarily the volume.

**John Lee - Economic Research Service**

Perhaps it would help to know what Walt wants to do with the data.

**Walt Wasserman - Cornell University**

He is trying to get a handle on what is moving into the market.

**Terry Crawford - Economic Research Service**

Even the school lunch reported data must be examined closely since they will vary due to commercial channels being used some times and donations at other times.

**Walt Wasserman - Cornell University**

In the ERS yearbook under commercial disappearance, a 1975 to 1985 series is shown. The previous yearbook dropped off some years, so a complete series was not available.

**Terry Crawford - Economic Research Service**

That was a mistake and the missing years will be picked up.

**Walt Wasserman - Cornell University**

There was a historical publication of dairy statistics to 1960 and one which covered 1960-67 but nothing else has been done. Can similar publications be issued?

**Terry Crawford - Economic Research Service**

There are no plans for additional publications. However, ERS is trying to put longer series on diskettes.

**Walt Wasserman - Cornell University**

It would be helpful to be able to feed USDA data directly into his data base when they are updated.

There is the Green Bay cheese data and some BLS retail data but no data on wholesale prices at all. Could some series be started for cheese and milk?

In the last Situation and Outlook yearbook there was a big revision in products removed from the market. The change was footnoted, but it was hard to spot. Also, is there a worksheet explanation available for the new milk fat equivalent which is footnoted?

There is one place where too much data might be confusing. There is a milk/feed price ratio on a 16 percent protein basis and on a volume of concentrate fed basis. People may sometimes pick up the wrong one. The 16 percent ratio is not used that much in our region anymore.



**John Hardin - National Pork Producers**

As the immediate past President of NPP, he has been particularly interested in export data. He is also the only producer/data user represented here today.

He appreciated John Van Dyke's comments on the new price series for the Southeast. There is confusing information on prices and two-thirds of the producers believe they are getting a premium.

The table to get to the lean value looks complicated but don't shy away from it. Could the data be sent out directly over FM or satellite transmission? He gets most of his price information from a screen in his office.

He also wanted to point out that the University of Missouri has estimated that 70 percent of the pork volume is from 7 percent of the producers. He feels the meat industry is realizing they can create the right product.

Out of the 80,000 farmers in a quarterly survey, how many have hogs?

**Bill Pratt - National Agricultural Statistics Service**

He will have to check for certain, but the percentage is higher than for farms at large since the stratification emphasizes hogs. Almost all large operations are enumerated.

**John Hardin - National Pork Producers**

Many analysts have concluded that NASS surveys are often a bit low on the upswing of production. That may have happened again.

He wanted to comment on price spread data. The surveys conducted are based on particular cuts being priced. He doesn't think that those series account for "specialing."

**Bob Yonkers - Penn State University**

He agrees. Present food basket surveys don't measure what is actually moving at what prices. How can data be fed back to food marketers? Some people have tried to use scanner data, which are very detailed, in order to estimate new price elasticities such as lean beef, ground beef, and extra lean ground beef.

**John Van Dyke - Agricultural Marketing Service**

He agrees that a series is needed on what is actually moving.

**Bob Yonkers - Penn State University**

The series needs to be constantly updated. Cuts and sizes moving need to be surveyed every couple years.

**Walt Wasserman - Cornell University**

All present series don't evaluate the affect of coupon sales and other specials.

**John Lee - Economic Research Service**

ERS has been working with the Bureau of Labor Statistics (BLS) to expand the data available. He would like Terry Crawford to comment on success.

**Terry Crawford - Economic Research Service**

One concern was that BLS did not collect data throughout the month, so their data were really only early month prices. That has been changed somewhat, but they still do not have any product mix adjustments. A composite can be put together but specialing may still be included within categories.

**John Hardin - National Pork Producers**

Consistency of data is important. Industry data have been revised on pounds per capita. Data need to be as compatible as possible but still tell the whole story such as human food versus pet food.

**John Lee - Economic Research Service**

He agrees that it is important to tell the whole story. He often explains to people in meetings that the per capita meat figures represent pounds disappeared and not net pounds of meat.

**Bob Yonkers - Penn State University**

His area is dairy policy within the Agricultural Economics Department. He appreciates this meeting today and was lucky enough to have an opening for it. January to March is a very busy time in land grant institutions.

He wondered why he hadn't gotten last month's Milk Production report before this month's report was released. That made him wonder--what does happen at 3 p.m. when a report is released?

**Rich Allen - National Agricultural Statistics Service**

When a report is scheduled for a 3 p.m. release, 200 to 300 immediate release copies have been printed. Those go to press services who pick them up, to people who have made subscription arrangements for immediate pickup or mailing, to NASS State offices, to other Government agencies which have made cooperative arrangements, and to NASS staff members working on those commodities. The report also goes out electronically on the USDA Computerized Information Delivery System (CIDS) and many reports go on the AMS news wire.

NASS must have the Government Printing Office (GPO) print the long run copies, so the masters usually go to GPO the next day. Subscription copies are then distributed by GPO or the ERS-NASS service. Copies usually are distributed faster through ERS-NASS and that service allows for multiple year and multiple topic subscriptions.

He does not know why it took more than a month for a copy to reach Bob. He has not been hearing many complaints in the last year or so.

**Bob Yonkers - Penn State University**

Can extension personnel get a subscription at a lower rate?

**John Lee - Economic Research Service**

A number of other USDA offices do get copies for their staff members by "riding" the ERS or NASS print orders. ERS has hoped that the CIDS contract could be made even more price attractive for cooperators. The CIDS contract has been re-negotiated. One accommodation was to make it a series of 1-year renewable contracts to make the vendor more responsive.

**Bob Yonkers - Penn State University**

One concern he has with CIDS is that he often needs only one page from the WASDE report. He wouldn't want to pay for the whole report.

**Gerald Bange - World Agricultural Outlook Board**

The WASDE report is put out in segments, so a person can select just what they want.

**John Lee - Economic Research Service**

The private firm that operates the ERS-NASS distribution program has been very responsive. The requirement is to have GPO print reports; it is possible to bypass GPO for distribution. That contract can be canceled if the vendor doesn't perform well.

**Fred Vogel - National Agricultural Statistics Service**

NASS State Statistical Offices usually take care of State cooperator needs for CIDS products. Particularly when our offices share space in a State Department of Agriculture building, it is more efficient to cover the State Director than to be sure they have proper equipment and training for accessing the electronic network.

**Bob Yonkers - Penn State University**

He has questions on the NASS revision policy. Some States like Pennsylvania almost never have revisions on Milk Production. It seems like the States which have more frequent revisions are the ones going through rapid changes in the industry. He knows that the January numbers can be revised in February then are reviewed in the annual revisions the next February. Does that imply that there are some other January revisions made during the year but not published until the next year?

**Al Drain - National Agricultural Statistics Service**

There are no unpublished revisions carried during the year. When it is time to do the annual revisions, States compile and evaluate all survey and administrative data and review all months. There is one more provision, however. Since January is a quarterly month those estimates are open for review in April, the next quarterly month.

The fact that some States have more frequent revisions than others likely has to do with the availability of data in that State. State offices use milk marketing order data for orders involving their State and those data are not all available in the same schedule.

**Bob Yonkers - Penn State University**

If NASS is going to cover 21 States monthly, why not the top 21 States?

**Rich Allen - National Agricultural Statistics Service**

There are really several aspects to the answer. We basically started with one grouping of States and since NASS, and most data users, prefer long unbroken data series use, we have been reluctant to drop any States. In some data series, a State might be included to provide an indication for a particular region, but that is not the case for milk. The monthly/quarterly State breakouts will be reexamined again after the next Census of Agriculture is published and all NASS data series are reviewed.

**Russell Whitman - Urner Barry Publications, Inc.**

He is a turkey specialist with his organization. He uses USDA data for a number of applications but mainly to interpret and understand market conditions. Most of the questions he came with have already been answered.

**Rick Brown - Urner Barry Publications, Inc.**

His area of specialization is shell eggs and egg products. He appreciates the job that USDA is doing very much since Urner Barry has many similarities. He knows many individuals check the data from the two organizations against each other.

He does have a question about the layers report, particularly the egg type layers. There was a late revision for 1991 which put the numbers almost equal to the previous year. When was the revision decided upon, how was it made, and how was it distributed? Also, can he expect this year to be revised as much?



**Al Drain - National Agricultural Statistics Service**

That revision took place in the Annual release at the end of January. Usually revisions are based on the fact that some operations have been missed earlier, data have been consistently reported in error, or there has been some miscommunications on cross-State operations. This came out in the full end-of-year revision. Even though the revision was bigger than usual it still was a fraction of one percent.

**Rick Brown - Urner Barry Publications, Inc.**

He agrees that the percentage was low but he finds that a one percent change in production makes a five percent change in price.

**Bill Pratt - National Agricultural Statistics Service**

December is one time during the year when NASS does have additional survey data. However, the extra indications are not available in time for the preliminary December figures which come out about the 20th of the month. He thinks the revision that Rick mentioned was actually from the preliminary December to the final December and did not involve other months.

**Rick Brown - Urner Barry Publications, Inc.**

How are mortality and disappearance determined? Are those calculated to make numbers balance?

**Al Drain - National Agricultural Statistics Service**

The mortality and disappearance questions are on each questionnaire. Thus, we have survey indications to examine in balancing from month to month.

**Rick Brown - Urner Barry Publications, Inc.**

Are we measuring spent fowls that may be exported rather than slaughtered in the U.S.?

**Al Drain - National Agricultural Statistics Service**

We are looking at the export data as well as survey data. We do not fit as complete as a balance sheet as for cattle and hogs but exports need to be included.

**Walt Wasserman - Cornell University**

(After lunch Jim Nix brought in examples of FAS publications.) He would be interested in copies of the example FAS publications. There may be some additional data that he has not been using.

Since there is a lot of milk price volatility would it be helpful for NASS to survey dairy farms to get the price at the farm level? Could it be done as an addition to the milk order prices?

**Bob Yonkers - Penn State University**

He also has some thoughts on that issue. What NASS reports are gross prices, net of marketing costs. The marketing costs vary by regions. He finds that milk price checks are very confusing and it is hard for a producer to determine the actual price. Farmers do know hauling charges but may be confused on other adjustments. Could AMS get a gross price and then survey actual milk price checks?

**John Lee - Economic Research Service**

What prices are used for costs and returns analysis?

**Terry Crawford - Economic Research Service**

The NASS prices are used.

**Bob Yonkers - Penn State University**

That is correct. Then the marketing costs are considered.

**Walt Wasserman - Cornell University**

New York producers have to compare with order 1, order 4, order 36, etc. Marketing costs are a big part of the difference in those prices. Too often the announced price is assumed to be the actual price received.

**Bob Yonkers - Penn State University**

The Situation and Outlook reports often have support price and market average price expressed on the average test basis and on a 3.5 percent basis also. It takes a lot of study to appreciate the differences among States and months during a year and between years.

**Al Drain - National Agricultural Statistics Service**

He wanted to comment further about the Cold Storage report discussion earlier. NASS works closely with the International Association of Refrigerated Warehouses (IARW) to resolve questions and to improve definitions. Most definitions have come up at least twice. There may need to be some discussions between AMI and IARW to address some of the meat and meat products definitions.

**John Lee - Economic Research Service**

He wanted to make some closing summary remarks. ERS, NASS, and the WAOB have benefitted from the interest in statistics that Bruce Gardner and Dan Sumner in the Assistant Secretary's office have shown. Dan would have preferred to have participated in today's meeting but some other meetings and preparations for the continued GATT negotiations have kept him in the Administration Building.

This morning there was discussion of cost of production data. Those series usually calculate national and regional averages which might be worthless. The distribution of averages within a region might be the most important data. We have been slow to face up to this fact. There is also the fact that the present cost of production budget allocation has been diluted by inflation and affected by pressures for ERS to do new things. ERS may need to phase back the cost of production program in some way. This might mean that fewer commodities will be included in the rotation or the cycle may be stretched out. For example, ERS might drop the non required livestock items. Of course, the preference would be for OMB and the Congress to add an inflation adjuster. Outside comments are helpful in the budget process.

The size of ERS has stayed the same or slightly shrunk over time but it has had to react to a new set of secretarial agenda items like water quality, global change, new crops, and alternative uses for agricultural products. In this year ERS has had to reprogram \$2.5 million for new work. ERS has made a number of computer efficiencies but now needs some product efficiencies. For example, publications may go to more tables and less wording.

**Charles Caudill - National Agricultural Statistics Service**

He appreciates the participation today. As John has said for ERS, NASS has not been able to keep a constant percentage of budget devoted to basic commodities. Except for some salary adjustments, inflation costs have not been covered.

# **DATA USERS MEETINGS**

**Eagan, Minnesota**

**April 1, 1992**

## **Victor Halverson - USDA Milk Market Administrator**

His office is industry funded but is an USDA function to regulate Grade A milk distribution. The hearings coming up later this year on a replacement for the Minnesota-Wisconsin (M-W) price series will be the most important dairy hearings in at least a decade.

In carrying out his assignments, he does follow many of the data series of the agencies here. For example, he does use the Milk Production reports but they take considerable review for him since milk market orders don't follow State lines and don't regulate all milk. He also uses the Dairy Situation reports as he does staff analysis on dairy production, utilization, and prices.

His office contributes information to the AMS Dairy Division which puts out monthly and annual publications. Other data from his office shows up in Dairy Market News publications on prices and manufacturing products.

## **Don Ault - AgNomics**

His office specializes in contract forecasting for the dairy industry. One question he has is how better data can be provided which tracks dairy products being manufactured in all States. He also wonders if NASS uses the data now available on dairy cow slaughter in order to examine and rectify milk cow numbers monthly. Should the slaughter data be used if it is not considered currently?

## **Rich Allen - National Agricultural Statistics Service**

When the January inventory survey is being analyzed, U.S. level balance sheets for dairy cows and beef cows are studied which use slaughter data. However, the monthly milk production reports are mainly worked at the State level and it is nearly impossible to calculate State balance sheets.

## **Don Ault - AgNomics**

Does NASS use State Promotion Board data and try to match those against milk production indications?

## **Bill Pratt - National Agricultural Statistics Service**

He thinks some States do look at those data but there is no effort to collect them all to use at the U.S. review level.

## **Bob Duban - Minnesota Pork Producers**

He is filling in for Pat McGonagal, State Executive Secretary, who is attending another meeting. He finds that when he works with other producers they wonder if USDA numbers came out of thin air. Is there information on sample sizes and survey procedures for each State?

## **Carroll Rock - Minnesota Agricultural Statistics Service**

He is glad to respond to that question since he is working with Pat on just that question. NASS does depend on voluntary reports from farmers and that is the major source of each Hogs and Pigs reports. He has written two articles which the Minnesota Pork Producers will run in their newsletters. The first will emphasize the sample sizes and sampling procedures. The second will have to do with the NASS organization and how other data are used.



The quarterly sample for Minnesota is about 3,000 farms. Sampling emphasizes hog producers and all operations of 5,000 or more are surveyed each quarter. The survey procedures provide for adjustments for refusals and inaccessibles within the size groups that those operations were selected.

He did want to comment on one aspect of "farmer talk." People often claim that they don't report accurately but his experience shows that people would more likely refuse to report than to report incorrectly. There are also many relationships within the hog portion of the questionnaire which have to fit so it would be hard to fool our edits. Usually if there is an unusual answer and we retelephone a respondent we find it is due to confusion about some definitions.

#### **Jan Sande - AgNomics**

Since all of her time is spent on analysis she finds the data of these agencies invaluable. She has worked closely with many of the people here and is glad to meet them. She had a rewarding experience last week of needing some unpublished NASS data quickly and was pleased that the agency could communicate and get permission the same day to release the information.

She has a question on the Dairy Export Incentive Program (DEIP). She uses the DEIP data monthly but doesn't feel that some of the disappearance data are correct, based on what she sees from other data series.

She also has a question on whether the AMS Ag. News Facts system covers special milk market change announcements. There was an important announcement on milk recently but she never saw it.

#### **Rich Allen - National Agricultural Statistics Service**

Since some people may have concluded that Jan got some special treatment or some "secret" data he wanted to explain what happened last week. NASS follows definite publication rules that no totals based on 3 or fewer operations or when one operation has 60 percent of the total can be published. Unfortunately for dairy products this often results in one very large "other States" total. What Jan had asked about (and had been suggested by other data users at the Washington, D.C. meeting in this series) was whether the other States could be broken out by region. We were able to break out the split that Jan requested and we will follow up with other people who earlier brought this to our attention to see if we have met their interest. NASS will probably soon start a published series which will break the "Other States" into regions on a regular basis.

#### **Carroll Rock - Minnesota Agricultural Statistics Service**

One illustration of the effect of other States is that a recent publication showed that Wisconsin was the leading butter producer but number 2 was the "other States."

#### **Jim Nix - World Agricultural Outlook Board**

The disappearance data tries to reflect DEIP information at the time that the product is removed from the market. However, it is difficult to track exactly when a product is committed for export, and analysts are constantly working through the FAS export sales office to get the best data. We believe that the monthly disappearance data reflects DEIP.

#### **Gene Quast - Mid-America Dairymen, Inc.**

He uses all milk and dairy products related data. One important question is the status of the M-W replacement data series and whether NASS will continue the present series.

**Fred Vogel - National Agricultural Statistics Service**

NASS has recently assured AMS that it will continue the present M-W series and the new test data collection procedures after the original July 1992 cutoff date when the series was to end. The M-W will be continued until hearings are held and the changeover to some replacement series takes place.

**Victor Halverson - Agricultural Marketing Service**

AMS did have an earlier call for proposals but they have not issued a hearing date announcement. He thought the hearings might be this summer.

**Ron Green - Webb Publishing**

He does market research for 5 farm magazines including "The Farmer" which goes back to 1882. He wants to deliver an editorial product which helps producers produce or market better. He uses USDA and Census data to track changes and see if their present subscription sales are meeting his goals. He appreciates the work of NASS since he does some sample surveys (of about 1,000 compared to 80,000 for NASS) and gets all of the nonresponse problems.

Much of this analysis of information is of cattle trends, particularly of dairy. For example, milk cow farms have declined from 2.9 million in 1954 to about 182,000 in 1991. He then wants to use size of operation data to better interpret what the future might be.

He would like to get as many data sets in the future on diskettes in order to make data entry easier. He is not a sophisticated computer user but is able to get information from Census CD-ROM products. What will help him the most is the ability to easily find out who has certain data and how to get the data.

**Rich Allen - National Agricultural Statistics Service**

Both NASS and ERS are committed to providing better access to electronic products like diskettes but they are approaching it differently. ERS is encouraging all of their analysts to take responsibility for the data sets that they use and advertise those individual data sets. NASS is coordinating all published data in one data base and has expanded its dissemination staff in order to create diskettes from that data file.

**Jim Nix - World Agricultural Outlook Board**

Data users will find these agencies to be very helpful with telephone requests. He often uses the Information Contacts listing to refer callers to other people but he encourages the caller to check back if the person he refers them to doesn't satisfy the request.

**Tom Yeakley - Jerome Foods**

His company is primarily involved in the growing, slaughter, and processing of turkeys. He uses any and all data that he can on turkeys and related inputs and competitive products. He does have a couple of data requests.

Is it possible to get further cold storage breakouts? Right now there is only whole birds and "other." Also, can export data be broken out into some product distinctions? Also, he would like more export information. He would like to know the type or the form of the exports. For example, are they in retail packages?

**Riley Gillette - Iowa Sheep Industry**

He is here today as a sheep producer and a person who is active in State sheep organizations. He was prepared to be critical today since he felt the sheep industry got less and less attention. However, he was pleased to hear of the AMS plans to expand information. He feels the price discovery mechanism for sheep to be very illusive. Farm level prices are available from some auctions and terminal markets but the next price that may be seen is a surprise on how much the leg of lamb is at the supermarket.

**Weldon Hall - Agricultural Marketing Service**

AMS should be able to cover more auction prices but it will be difficult to get information on the price level of direct sales. He hopes the new coverage will provide some information.

**Riley Gillette - Iowa Sheep Industry**

Imports are a big concern. Sheep producers have enjoyed some price recovery recently. When that happens, they usually find out that some competitors from other countries try to take advantage. It doesn't seem that the import data are very timely.

**Leland Southard - Economic Research Service**

The import data through Commerce usually lag about 6 weeks to 2 months. This is a little slower than at some point in the past but Commerce felt that they needed time to better review the data before publication.

**Gerald Bange - World Agricultural Outlook Board**

USDA reports agricultural trade data as soon as they are available from the Department of Commerce. At present, Commerce releases these data about 7 weeks after the end of the reporting month. Several years ago, Commerce reported these data with a 4- or 5-week delay. The slowdown appears to be due to resource problems at Commerce and an effort on the part of Commerce to improve the accuracy of import/export statistics.

USDA is aware of the problem you cite and agrees that more timely reporting of trade data is important. For some commodity groups, particularly those for which international competition is significant, current trade information is a necessity.

USDA will continue to articulate the need for more timely reporting. Your comments on behalf of sheep producers will be used in support of this effort.

**Don Storhuff - Wisconsin Dairies**

His organization is a cooperative with distribution of fluid milk and manufactured dairy "hard goods" across much of the midwest. He is glad that NASS will continue the M-W after July; that was one concern of his for today.

He has questions about the USDA projections of annual milk production. When are they revised? For example, we now have almost 3 months of production data and USDA should be able to make better projections.

What is the potential for information on the international dairy industry? The Europeans surely know all about U.S. trade. The future for dairy will be in international trade and he wonders how much we know.

**Jim Nix - World Agricultural Outlook Board**

The milk production annual projection is updated each month and included in the WASDE report about the 10th of the month. That does not update international projections but does reevaluate domestic production and commercial use. These WASDE figures are picked up by the next Dairy Market News publication.

On the international side, there are two publications a year from the Foreign Agricultural Service which show figures for major countries. These data cover milk, butter, cheese, and powder. The Dairy Situation and Outlook often has some international information, but it could probably be expanded.



**Allen Johnson - Economic Research Service**

He will take the comments back to Jim Miller who heads up the ERS Dairy Situation and Outlook work.

**Don Storhuff - Wisconsin Dairies**

The dairy industry is really in a transition era. It must go from an "U.S. only" strategy to start to go against some very knowledgeable traders.

**Fred Vogel - National Agricultural Statistics Service**

He is glad that people realize that NASS will not just back away from the M-W series. He did the last major analysis and sample reallocation about 1970 for the M-W. There are now only about 70 plants eligible for sampling in the two States which is frighteningly thin for such an important data series.

**Dave Arnold - Cargill, Inc.**

He heads up the company's livestock, meat, and poultry analysis. He does not have many concerns right now but he wonders if continued changes in production structures might affect NASS sampling and estimation. For example, all of the different hog production contracting arrangements raise many possibilities for double counting.

**Colleen Sauber - Dairy Herd Management**

She works on both a weekly newsletter and a monthly magazine. She tries to summarize information for dairy producers to help run their operations more profitably. She analyzes things like the M-W series, trends in retail sales, and any information she can get on consumer preferences. She uses all production and price data. The WASDE report was new to her and she is interested in getting it on a regular basis. The improved Mexico export data sound quite valuable.

She has some questions on NASS data. For example, in looking at trends, Pennsylvania recently passed Minnesota for fourth place. She would like to know when California first reached second place and when other similar changes have occurred. There are some rumors that NASS may go from 21 monthly dairy States to 23. Will we add a couple to the monthly series?

**Rich Allen - National Agricultural Statistics Service**

He had not heard such a rumor but people at other meetings have pointed out that we do not now cover the top 21 States and wondered if we will change States. Right now NASS does not have plans to make any changes until the next Ag. Census is completed and NASS looks at all data series.

**Andy Baument - Iowa Pork Producers Association**

His particular specialties are public policy and lobbying activities, so he is using the same data as others in the room but for a slightly different purpose. He wants to build on Dave Arnold's comments. If NASS works on some additional survey approaches to avoid double counting of contract operations, the pork producers will be glad to assist on questionnaire testing.

One thing that struck him this morning is that the Iowa Secretary of State would probably like to know how accurate the reports are which must be filed with her office in the case of new hog production operations.

Are budgets as tight with other State Governments as in Iowa? The State budget is putting severe pressure on market news services, scale inspections, and other important agricultural areas. Can AMS enter into cooperative efforts with private reporting organizations to fill some of the market news gap?

When will the new Lean Pork System be operational?

**Weldon Hall - Agricultural Marketing Service**

He expects it to be about June. The reports will first be available for the Southeast since that area is more standardized in terms of how they use the fat-o-meter. Outside of the Southeast there is more variation in the parameters used.

AMS has cooperated with some private services on occasion. However, there are confidentiality problems in sharing data collected by AMS with the private firms.

**Rich Allen - National Agricultural Statistics Service**

Budgets are tight in many other States and some others like Oregon have taken a major hit in market news.

**John Lawrence - Iowa State University**

He heard there is a bill in Iowa to do away with market news completely. Could Andy comment on that?

**Andy Baument - Iowa Pork Producers Association**

Yes, there is a bill that someone has drafted but it may be possible that it will not get introduced.

**Stan Smebakken - Packers and Stockyards**

The packers and stockyards mission is to keep the market place open and fair for all. He thought this was a good opportunity to learn more about data series and to decide if he could use data better in his office at the regional level.

**John Lawrence - Iowa State University**

He has questions on the relationship between AMS and Packers and Stockyards. Specifically, there were allegations of some improper reporting of direct marketings last year. Did AMS and Packers and Stockyards work together on that?

**Weldon Hall - Agricultural Marketing Service**

AMS works completely from voluntary reporting services and does not have any regulatory function or authority. Packers and Stockyards did get involved last year in tracking down some reporting problems. Most of the proper reporting has been restored although some organizations did stop for a while.

**David Wiebke - Minnesota Cattlemen's Association**

His organization often gets questions from its members of what reports do for the average producer, particularly for the operation that does not change or plan to change from year-to-year. Producers don't know how the data are put together. His organization will do its part to publicize producers and data uses. He feels that there will be more contract feeding in cattle in the future which may give new concerns about duplication.

**Carroll Rock - Minnesota Agricultural Statistics Service**

He wanted to emphasize that he is available and willing to speak to State, district, and county meetings or to work on articles as he is doing with the Pork Producers.

**Don Close - Pioneer Hi-Bred**

His area in the company is marketing services for individual producers. He analyzes data and projects prices to develop marketing strategies. He has taken advantage of any opportunity to learn more about procedures of these agencies. He has several questions.

What would be the NASS timetable for changing the 500-pound and lighter weight group?

**Bill Pratt - National Agricultural Statistics Service**

They are just starting to look at alternatives. There are no set proposals so next year would be the earliest possible change. However, if NASS does change there will be a parallel series for some time.

**Don Close - Pioneer Hi-Bred**

Is there any timetable for the Chicago Mercantile Exchange to pick up the new 12-State feeder cattle price?

**Weldon Hall - Agricultural Marketing Service**

The data are going to the CME now but there is no decision yet on how a settlement price would be calculated and by whom. The CME may have a timetable but it hasn't been announced.

**Don Close - Pioneer Hi-Bred**

He attended the Ribbon Cutting last year for AMS new data base efforts. When will that system be accessible by the public?

He has concerns on contract production. For example, in forward contract sales what provisions are there for getting the marketing numbers in the right months and how are actual prices determined?

**Weldon Hall- Agricultural Marketing Service**

AMS picks up volume and prices when forward contracts are deliverable. The average prices that AMS calculates are based only on current sales.

**Don Close - Pioneer Hybrids**

He would continue the monthly Cattle on Feed report. Perhaps the fault in the system right now is too much pre-release publicity.

**Paul Christ - Land-O-Lakes**

His work is largely preparing company positions on new legislation and regulations plus forecasting future market conditions. Much of his analysis is now provided under contract with AgNomics. He uses all available data for market projections but he finds that current data don't meet all of his needs. He has comments on several data series.

He feels the present Cold Storage series is inadequate for dairy products. For example, there are very wide swings for butter. The series may not detect all stocks. Since the swings are wider than true volume changes much of the product may be in places not covered.

There also is a great interest in who owns stocks-- manufacturers or users. There was a large build up of cheese for a while but mostly owned by users.

There is presently no specific information on Mozzarella cheese. He can only get an idea on holdings from customer contracts.

The Cold Storage report for cheese would be improved by indicating how much is in bulk versus packaged form. That tells what flexibility exists.

The dairy cost of production data series give averages by regions. Some distribution of the data are needed such as quintiles. There also should be information on characteristics such as number of cows and other farming operations.



In the milk production series, he is sometimes concerned by the number of changes a month later. There should be different ways to collaborate production data, such as milk marketing order data, which will stabilize preliminary estimates.

As far as a "dream idea," he feels that there is presently much production data but very little on marketing. It would be valuable to know how much product moves to retail, to food services, etc.

He has a question about when the National Food Consumption Survey will be released. It has received considerable criticism for survey procedure problems but doesn't think it has been released.

**Allen Johnson - Economic Research Service**

ERS has some of the food consumption information and will attempt to develop joint publications with Human Nutrition Information Service.

**Joe Conlin - University of Minnesota Dairy Extension**

He wants to follow up on the cost of production survey comment. Those data are used widely but are not much help to individual farmers. Different analyses would be needed to create information for farmers. He is also concerned about that survey since he thinks the Minnesota cost of production results were based on below average producers. Will more State data be available in the future?

**Rich Allen - National Agricultural Statistics Service**

The cost of production surveys are only designed to be representative at regional levels. Thus, the sampling and the editing rules are based on regional considerations only. The State level unofficial calculations do not represent any particular State as well as if a specific State survey could be conducted.

**Leland Southard - Economic Research Service**

ERS analysts are trying to utilize the distribution data from the COPS surveys in their interpretations rather than just the averages.

**Vernon Eidman - University of Minnesota**

One output of the cost of production series has been percent of production by various cost levels for crops. Will that be done for Livestock cost of production as well?

**Leland Southard - Economic Research Service**

That is being looked at for Livestock but the number of various combinations is more complicated and he is not sure that the data will be as helpful.

**Dan O'Brien - Iowa State University**

His area is marketing and the projection of prices for farmers. He uses many of the ERS data tabulations. He would like to offer some questions and suggestions based on his experiences.

When grain and livestock projections are released would it be possible to put probability statements on various alternative levels? That is, a 6 billion bushel crop may be forecasted but is there a 35 percent chance of a 7 billion crop, etc? Having those probability statements might help to fit alternative price models.

He has a comment on breaking out the cost of production data. He does have some records over time. Those point out that the top third of the producers may have the lowest production costs but the same producers are not always in the top third. Also, some operations might only be in the low cost category because of special considerations such as depreciating equipment clear out before quitting production.

**Rich Allen - National Agricultural Statistics Service**

Since NASS previous forecasts and final yield and production levels are readily available for the past 10 and 20 years, has anyone tried to calculate their own probability statements? The NASS approach of the root mean square does give information on past spreads from averages.

**Dan O'Brien - Iowa State University**

Bob Wisner at Iowa State has done some probability calculations for grains.

**Gerald Bange - World Agricultural Outlook Board**

USDA agrees. Over the years, USDA has used many techniques to imply that there is a range of possible outcomes associated with any given estimate. Alternative domestic and foreign "weather scenarios" have been assumed and projected, resulting in a range of possible outcomes. It is interesting to note that users often converted these to point estimates by calculating simple averages. This, of course, is not accurate if the most probable point estimate is skewed to one side of the range or the other. At other times, pluses and minuses around a point have been used. At present, the World Agricultural Outlook Board shows point estimates in the WASDE report. To provide users with a measure of forecast accuracy for each projection and forecast, simple reliability statistics for each parameter are calculated and reported each month. Reliability tables are shown for grains, soybeans, cotton, livestock, dairy, and poultry.

Right now, the Board is engaged in a major effort aimed at evaluating USDA's forecasting performance. In the future, you can expect to see substantially more documentation. The purpose of this effort is to improve the accuracy of USDA projections and forecasts.

**Joe Conlin - University of Minnesota Dairy Extension**

For his role in education it is important to look at trends. He wants to compliment Carroll Rock and his staff for making all data available that they can.

He would like to know more about the details behind the totals or averages -- types of farms, herd sizes, etc. He finds that there is currently a transition to more specialization, even to contracting to have dairy heifers raised. Data would be helpful not only on size but on investment levels and returns to investments.

He also finds that people are using more byproduct feeds. Are those being tracked?

He is glad to hear about electronic access but would like to know more.

**Rich Allen - National Agricultural Statistics Service**

The USDA Computerized Information Delivery System (CIDS) requires a user to contract with Martin Marietta Data Systems which holds the contract. The present cost is \$75 per month plus usage fees. Most electronic reports are put out as menu based selections so users can select just the report portions they want and reduce line charges.

**Weldon Hall - Agricultural Marketing Service**

The AMS electronic newswire provides continuous updates of market news prices, other AMS reports, and selected NASS publications. There is a basic charge which includes the satellite dish which is needed. If you would like information concerning access, contact AMS communication office at 202-720-1237.

**Allen Johnson - Economic Research Service**

ERS does have a number of data bases available in computer diskette format and will continue to add to the listing.

**Weldon Hall - Agricultural Marketing Service**

As far as Dan's question on byproduct feeds, the AMS Feed Stuff publication does track quite a number of byproducts.

**John Lawrence - ISU Extension Livestock Economist**

He replaced Gene Futrell after Gene's untimely death this last year. He is responsible for a wide range of analyses for the hog and cattle industries.

One key aspect of the agencies here today is service. That level of service is often missed. Until market news was cut back in Iowa many people seemed to believe that price information came directly from radio and television stations.

He has a number of items on his wish list which would aid his work.

A breakout of barrow and gilt slaughter separately would provide much more information.

He is not sure if some double counting is occurring in contract hog production but he would like to get additional information. That would include a breakout by type of ownership and size of operation. Also, are the contractors contracting with large operations or with neighbors?

He would like to know more about investments in new facilities. Where are they being built and by whom?

The once a year report on hog size groups should have at least one break about 1,000 head. He would suggest 1,000 - 4,999, 5,000 to 9,999 and 10,000 and above.

What alternatives are there for market news services which are being lost? Iowa is probably the biggest feeder pig State but reporters are now covering only one sale a week and that may even be lost.

**Weldon Hall - Agricultural Marketing Service**

The barrow and gilt slaughter question is of course not new. However, a majority of packers have always contended they can not (or will not) break out the sex.

**Bob Beammer - AMS Market News - South Saint Paul**

In his job he tries to gear current market data for the producer.

**Vernon Eidman - University of Minnesota**

His work is largely in the area of management. He is interested in data as they affect farmers' competitive positions.

The data on leanness for swine will be a big help to the whole industry.

Because of the emphasis on free trade agreements, data on production in North America are needed on a flow basis. He would second the points made earlier concerning data needed by size and type of operation.

Why aren't there data published on total hog contract production?



**Rich Allen - National Agricultural Statistics Service**

Nearly all States currently include questions on contract production on their hog and pig surveys. However, these are designed only to pick up contract production not already known about. If an operation is known to only raise hogs on contract, that operation is excluded from the current sample and total data are obtained from the contractor. Thus, expanding the data from the contract questions would not represent all contracting. Similarly, a contractor might be raising some hogs within the organization so their responses would be an over estimate of contracting.

**Leland Southard - Economic Research Service**

USDA analysts are looking closer all the time at data from Canada and Mexico. These data are becoming more important because of STET.

**Su Ye - Minnesota Department of Agriculture**

She tries to provide information for agricultural industry producers. She particularly focuses on potentials for niche markets and "Minnesota grown" markets. She also has found Carroll Rock and his staff to be most helpful. She wants to mention some items which would make her job easier.

Many items do not provide enough State breakouts. She can find U.S. figures but not Minnesota so she has to make many assumptions. For example, she can find U.S. exports to Japan for many products but not the Minnesota share.

She could use information on new crops and specialty crops. Information is needed on trends in production for organically grown crops and specialty crops.

More information is needed on interstate commerce. She can determine the production of many crops grown in Minnesota but doesn't know how much of the production moves to other States.

She also would like to have our USDA data available on an on-line data base.

**Gerald Bange - World Agricultural Outlook Board**

USDA can and does make some very rough approximations of export market shares by State. Basically, this is done by assuming that a State's share of the export market is equivalent to its share of the production for any given commodity. This is a reasonable assumption given the homogeneity of agricultural products, particularly bulk commodities.

For your purpose, however, it is unlikely that USDA's methodology is satisfactory. On the other hand, collecting such information would be extremely difficult, if not impossible. Undoubtedly, any attempt to do so would be extremely expensive from USDA's perspective.

There is little chance that USDA will be able to provide the data you are seeking in the foreseeable future. You may wish to contact those State Departments of Agriculture which do report detailed State export statistics. California, for example, may be able to provide some useful insight.

**Carroll Rock - Minnesota Agricultural Statistics Service**

His office does get inquiries about many specialty commodity items. Occasionally, as with their special aquaculture survey, he can do some additional surveys.

**Rich Allen - National Agricultural Statistics Service**

NASS will be covering a few additional fruit and vegetable commodities this year like bushberries, watermelons, and cantaloupes plus maple syrup. However, each of these will cover only the major producing States and not all States.

**Bill Lazarus - University of Minnesota Extension**

His specialty area is farm management. He thinks John Lawrence had a good point on tracking new facilities. That information would be nice to have. One issue for the future is if a State like Minnesota limits new farming arrangements can we expect farming to be done elsewhere and shipped back to Minnesota?

**Cynthia Clanton - National Hog Farmer Magazine**

She is a regular user of Livestock and Poultry Situation and Outlook publications as well as the updates, particularly for hogs and pigs. She tries to understand and explore trends. She wants to comment on a number of items which have already been brought up.

Breaking out some larger producing units would better describe the present industry.

Contract arrangements are not the same in all cases. North Carolina contracts may be simpler and more straight forward than in Iowa. A big operation in Iowa may have hogs in facilities in more than one county and this could be a bigger surveying problem than contracting. The University of Missouri has done one survey of contracting.

There is a survey of the top 100 meat packers each year which includes questions on investment plans. Why can't the same thing be done for large farming operations?

Slaughter numbers and prices by State of origin would be very valuable but are apparently very difficult to obtain. She had talked to a number of packers about the possibility.

Other helpful data that haven't been mentioned include the interest rates that producers are paying for land and for production expenses. Also, labor rates for year around workers can't be determined from present agricultural labor reports.

**Rich Allen - National Agricultural Statistics Service**

U.S. slaughter data are used in balance sheets as an important part of the hogs and pigs estimation process. It is not feasible to constitute State balance sheets.

**Leland Southard - Economic Research Service**

Another factor in tracking State movements is that some Canadian hogs come to the U.S. for slaughter. There is information on those imports as well as Canadian feeder pig movement to the United States. The information is available for port of entry - not final destination.

**Chuck Levitt - Shearson Lehman**

He does all research for his company in the livestock and meats area. He makes all buy and sell recommendations and works directly with all large livestock customers including producers and packers. He has a long list of opinions to discuss.

The hog industry has gone through tremendous structural changes in the last 20 years and those changes have been particularly rapid in the past few years. The total number of hog operations has declined about 71 percent in 20 years. Presently, the 12 percent of all operations with more than 500 head (less than 31,000 operations) contract about 68 percent of all hogs. These operations are mostly capital intensive units that must operate at high capacity. They can not flipflop like the industry did in the past but there are still enough small and medium sized operations for some quick response to prices. Thus, his conclusion is that a report showing a sudden change from 3 month earlier is probably not reasonable. For that reason, he added 800,000 to the original December 1, 1991, numbers. He wanted to compliment NASS for being responsive to additional data like slaughter and revising to the right level.

He doesn't see any reason that USDA can't get monthly farrowings. The operations know what they are going to do. The quarterly questionnaire could ask for monthly farrowings instead of just quarterly.

He thinks that AMS can get barrow and gilt slaughter data. Some people are breaking them out for him and others are doing it for Glen Grimes. It really does help to track female disappearance.

He feels that the 7-State monthly Cattle on Feed reports are vital for the industry. They desensitize quarterly reports. It probably will be difficult to get better weight group data. Therefore, could USDA measure "in-weights" instead of on-feed weights? Those would be helpful to measure trend changes and to project marketings.

One possibility on the quarterly Cattle on Feed is to drop the reporting of expected marketings. However, that should be a better data series. There are about 1,600 feedlots with capacity of 1,000 head which account for 85 percent of marketings and only about 200 lots that account for 50 percent. Those large operations do know how many will be coming to market by month. However, if they don't want to tell us currently they don't. He would go to narrower weight classes or placement weights and let analysis predict the expected marketings.

He did a focus piece on last September's report. USDA had to decide how many would be marketed because data were not fully reported.

He would do away with the July Cattle inventory report. That sample size is too small to give any meaningful data since State estimates are not included. He would use the money saved to do more of the January inventory survey on a face-to-face basis. One example of the short comings of the July report is the projection of a calf crop of 40.3 million last July but the final was more than one million less.

**Paul Christ - Land-O-Lakes**

Is the concern about the sample size only or is it a concern about the method of collection?

**Fred Vogel - National Agricultural Statistics Service**

It actually might be a combination. Until about 3 years ago NASS had an area frame based survey in December which contributed current information to the December hog and pigs estimates and the cattle inventory.

**Chuck Levitt - Shearson Lehman**

USDA has had the largest revisions ever in its cattle inventory estimates in the last 3 years, or at least its largest revisions since 1967. Those have been big changes but so far have been in a direction which was positive for producers. Things will be very sensitive if revisions are needed in the other direction.

**Fred Vogel - National Agricultural Statistics Service**

Should NASS drop all intentions questions, including those on farrowings?

**Chuck Levitt - Shearson Lehman**

No, hogs are different than cattle. Hog operators do know their operations for the next 3 months.

**Fred Vogel - National Agricultural Statistics Service**

He met with a large contingent from the National Cattlemen's this week. Many of them said they can't predict their marketings very well. They have been fooled recently with the lighter cattle being placed on feed and the shift to larger framed breeds.



**Rich Allen - National Agricultural Statistics Service**

Review of the data lack for several years suggested that the first of the quarter answers were normally high. Feedlot operators apparently tended to answer based on their expectations of favorable weather, no disease problems, and good gains.

**Bill Pratt - National Agricultural Statistics Service**

He is concerned that people can't or won't report placement weights.

**John Lawrence - ISU Extension Livestock Economist**

They should be able to report since they have just bought the cattle. Data can be adjusted for shipping shrink if need be. He also thinks that most feedlots know their expected marketings within a month and feedlot managers should be fired if they don't know.

**Don Close - Pioneer Hybrids**

Would the new AMS data on feeder cattle weights and prices help?

**Chuck Levitt - Shearson Lehman**

It might help. He understands that Cattle Fax can get data on weight groups.

**Fred Vogel - National Agricultural Statistics Service**

There is definitely work to do with defining proper weight group distributions.

**Fred Vogel - National Agricultural Statistics Service**

Does anyone else have opinions on the proposal to drop the July cattle inventory?

**John Lawrence - ISU Extension Livestock Economist**

He would always like more information instead of less, but are we getting quality information? If July 1 was dropped NASS needs to keep the money to help other cattle information.

**Don Close - Pioneer Hybrids**

Trying to assemble any consistent interpretation based on the July 1 report is very frustrating. He normally has had good confidence in the first calf crop number.

**Chuck Levitt - Shearson Lehman**

However, the first calf crop number is no longer working. It might be that the 1988 and 1989 total calf crop numbers are overestimated and the 1990 and 1991 are underestimated. There have been big changes from July 1 to final in those years.

**Rich Allen - National Agricultural Statistics Service**

Perhaps some explanation might helpful for those in the audience who don't normally follow the cattle on feed series. For the non quarterly months, operations in the 7 States are only asked for numbers on feed, marketed, placed, and for other disappearance such as deaths and those put back on pasture. On the quarterly surveys, 6 more States are added and questions on weight groups, sex breakout, and expected marketings are included. A large proportion of operations do not report weight groups. One explanation for that is that the person filling out the monthly questionnaire is essentially the bookkeeper who knows the marketings and placements but they might not be involved in the feeding. A second person might be needed on the quarterly months to report the weights.

The concern that NASS has had in the past is that the weight group data might come mainly from smaller operations and not be representative of the weight breakouts in larger lots. The current survey procedures build in a better summary to adjust for changes by size groups.

**John Lawrence - ISU Extension Livestock Economist**

Getting placement weights would be a big help.

**Fred Vogel - National Agricultural Statistics Service**

Would just average weights suffice or is the distribution needed?

**John Lawrence - ISU Extension Livestock Economist**

The distribution is definitely needed.

**Bill Pratt - National Agricultural Statistics Service**

He thinks that the Kansas office did try to get placement weights and was not successful.

**Chuck Levitt - Shearson Lehman**

Less is often more. If just the large operators are accounted for, the data series would be better.

**Chuck Levitt - Shearson Lehman**

He wanted to touch on one more point, which is a request to ERS. Most consumption data are still on a retail weight basis which is misleading. It is hard to tell people that we still "consume" more beef than chicken. It should all be on an edible weight basis.

**Leland Southard - Economic Research Service**

There will be an article addressing this issue in the next Livestock and Poultry Situation and Outlook report.

**Don Close - Pioneer Hybrids**

One thing to put into the category of possible cuts is the 10-State hog data. There are now enough U.S. and 16-State data that the 10-State totals may not be needed.

**Bill Pratt - National Agricultural Statistics Service**

The only thing that would be saved would be printing the tables. The order of reviews right now is U.S. level, 16-States, and individual States. The 10-State tables are calculated after all the State level numbers are finalized.

# **DATA USERS MEETINGS**

## **Sacramento, California**

### **April 7, 1992**

#### **Jim Cothorn - California State University at Fresno**

Can Bill Pratt comment on the quality of data received from farmers and how does NASS interpret or adjust for poor reports?

#### **Bill Pratt - National Agricultural Statistics Service**

When reports are received they go through a hand review and a standard computer edit. The edit examines all of the interrelationships which must fit together. If there is some relationship such as breeding stock to farrowings that seems incorrect it may be necessary to recontact the producer.

#### **Fred Vogel - National Agricultural Statistics Service**

There are a number of procedures used to account for missing data. For example, some feedlots report total inventory but not placements and marketings. Those data are then estimated based on other operations of the same size group. Very large operations are in the sample every time and we do have quite a bit of information available if their report is missing in the current survey.

#### **Allen Hurlburt - California Pork Producers**

How soon can the pork leanness approach be used in California?

#### **John Van Dyke - Agricultural Marketing Service**

The only plans now are to put the procedure in place in the Southeast U.S. by about July of this year. The packers in that area are using the same equipment to measure fat. The Hogs and Pigs report is accepted in the Southeast it could be expanded to other areas.

#### **Allen Hurlburt - California Pork Producers**

How many packers are involved in the Southeast?

#### **John Van Dyke - Agricultural Marketing Service**

There are six major packers involved.

#### **Allen Hurlburt - California Pork Producers**

Can this system eventually replace the Omaha or Iowa-Southern Minnesota direct sales reports?

#### **John Van Dyke - Agricultural Marketing Service**

He doesn't think the live reporting will ever completely disappear. However, if the new report is eventually accepted in the Iowa-Southern Minnesota area, we could develop an FOB Iowa-Southern Minnesota lean value report.

#### **Allen Hurlburt - California Pork Producers**

It would be good to get away from the terminal market live prices. That is the basis for the market now, but the terminals get all the junk.



**Grover Roberts - California Farm Bureau Federation**

Will there be an abrupt change for the Southeast?

**John Van Dyke - Agricultural Marketing Service**

No, there will be a paralleling of live reports and reports based on lean yield at first and eventually a replacement if fully accepted.

**Rich Allen - National Agricultural Statistics Service**

Isn't California a fairly separate hog market from the rest of the country and wouldn't it be easier to implement a special procedure?

**John Van Dyke - Agricultural Marketing Service**

Yes, California is a special market and information could be derived separately for it.

**Allen Hurlburt - California Pork Producers**

How are the carcass data determined?

**John Van Dyke - Agricultural Marketing Service**

A call is placed several times a day to each packer to obtain data by leanness category and carcass weight.

**Allen Hurlburt - California Pork Producers**

Are those hot weights or cold weights?

**John Van Dyke - Agricultural Marketing Service**

Hot weights.

**Allen Hurlburt - California Pork Producers**

This all sounds good but producers might still have a concern about having to accept the packers' reported carcass weights.

**John Van Dyke - Agricultural Marketing Service**

Yes, there needs to be an amount of trust built up for both sides to accept the new procedure.

**Allen Hurlburt - California Pork Producers**

Is the device used in the Southeast the one used in Denmark?

**John Van Dyke - Agricultural Marketing Service**

Yes, the KSI fat-o-meter.

**Grover Roberts - California Farm Bureau Federation**

Is it correct that all market reporters don't have laptops right now?

**John Van Dyke - Agricultural Marketing Service**

They are being used operationally in 12 midwest States right now. Those are the States for which the Chicago Mercantile Exchange is considering calculating a new cash settlement price for feeder cattle. Testing of the Laptops is just starting here in Sacramento, Washington State, and Alabama.

**Allen Hurlburt - California Pork Producers**

Is it fair to say that the interagency committees don't really do supply/demand analysis since the whole supply must be accounted for as demand?

**Jim Nix - World Agricultural Outlook Board**

He would not agree with that. There definitely are changes in export demand which can be evaluated. Also, demand is reflected back through the price mechanism.

**Allen Hurlburt - California Pork Producers**

Do the committees carry a ratio of price changes for specific supply changes?

**Jim Nix - World Agricultural Outlook Board**

Each member of the Interagency committee comes in with their own analysis. They may be fitting a number of different models.

**Grover Roberts - California Farm Bureau Federation**

Is there much demand (foreign) for World Agricultural Outlook Board forecasts?

**Jim Nix - World Agricultural Outlook Board**

Yes, there is growing interest in the WAOB reports, particularly from Canada.

**Don Bell - University of California at Riverside**

How reliable are data collected in other countries?

**Jim Nix - World Agricultural Outlook Board**

The quality varies from very good for a few countries to poor quality to non existent in some countries. Some countries are not included since no reliable information can be determined. The Interagency committee process does help to stabilize the interpretation for some of the poor information countries.

**Jim Cothorn - California State University at Fresno**

He uses the WASDE report each month. He finds it very helpful and hopes to use it for consistency rather than depending on it being totally accurate. When there are sizable revisions, such as due to the NASS cattle inventory revisions, it becomes more difficult to use.

He feels that Grain Consuming Animal Units (GCAU's) are a big item in understanding balance sheets. How does the World Board make adjustments in GCAU's during the year and how does it adjust for seasonal variations?

**Jim Nix - World Agricultural Outlook Board**

All data from NASS are used as the starting point. The livestock committees carry in data from the grains committees as well as their own analysis. The grains committees independently calculate GCAU's based on NASS data and our forecasts for livestock numbers and output. Each committee is currently interpreting the indicated lower than expected feed use because of the open winter.

**Jim Cothorn - California State University at Fresno**

The residual number (or implied feed use) might be the most important figure to the trade and analysts. The stocks report in January was a large story since it indicated less feeding of wheat and other grains.

**Jim Nix - World Agricultural Outlook Board**

Users should always be cautioned to remember that "Feed and Residual" has all of the error in the system included. Other uses such as exports, food and industrial, and seed come in as givens.

**Allen Hurlburt - California Pork Producers**

Is residual the same thing as ending stocks?

**Jim Nix - World Agricultural Outlook Board**

No, the ending stocks are estimated or projected as an inventory item. Residual is unaccounted for disappearance.

**Jim Cothorn - California State University at Fresno**

The feed and residual is such a big number that it is hard to interpret.

**Jim Nix - World Agricultural Outlook Board**

Jim Donald, the Chairperson of the World Agricultural Outlook Board, insists that the committees calculate and publish the animal product outputs so users will have them for comparison purposes.

**Allen Hurlburt - California Pork Producers**

Page 29 of the March 11, 1992, WASDE report indicates that animal production has normally been underestimated.

**Jim Nix - World Agricultural Outlook Board**

Looking back at the past track record for livestock items is a fairly recent calculation. Those figures are affected by any subsequent NASS revisions after the fact. Some of the underestimates for beef occurred because of the shift to heavier cattle in recent years. Those monthly comparisons do get better each month as we go through the projection cycle and the interagency committees have more data.

**Jim Cothorn - California State University at Fresno**

Last year he felt that the NASS cow figures for California and other States in the West were overestimated because of drought. There were no adjustments in those estimates until a year later. The revisions were in the right direction but were glossed over by being a year late. The experienced trade analysts did pick up on the new levels this year.

**Fred Vogel - National Agricultural Statistics Service**

We were able to learn much more about the January 1991 numbers when we were able to look at a 1990-91 and 1991-92 balance sheets as well as the January 1, 1991, and January 1, 1992, survey data.

**Jim Cothorn - California State University at Fresno**

He thought the January 1 estimates were based directly on survey data.

**Fred Vogel - National Agricultural Statistics Service**

Yes, they are based on survey data but the survey data are also put into balance sheets with slaughter, exports, imports, and any other data on disappearance. The balance sheets help determine what judgement to make within the statistical ranges of the data.

**Jim Nix - World Agricultural Statistics Board**

The January 1, 1992, revisions did help analysts better understand the beef production forecasts.

**Seth Hall - Western Farm Credit Bank**

He serves as the economist who keeps track of commodities for all States in the Farm Credit System's Western Region. Thus, he looks at a lot of commodities and a lot of data but can not get into the details of each series. He has a number of comments about data he has been tracking.



Dairy is important to his work since it accounts for about 14 percent of the loan value in the District. There are a number of detailed dairy related sources such as Cheese Market News, Dairy Market News, and the Dairy Situation and Outlook. However, he would like to have a dairy update similar to the present livestock and poultry update. That report is very user friendly and provides good information at a glance.

Here in California size information capped out as herds of 100 head and over is not helpful. He would propose 100 to 249, 250 to 499, 500 to 999, and 1,000 head and over. He knows that other States could not be broken down so finely, but it would really help the understanding of California.

Arizona is not a monthly milk production State. He assumes that is a function of the State of Arizona allocation. As a Western District data user he would like Arizona data.

Switching to cotton, he has always heard there are some restrictions on the USDA about predicting cotton prices. However, it would again be helpful to get some sort of periodic cotton update instead of just the situation and outlook. He knows that companies like Calcott can afford full time cotton analysts but he can't devote that much time himself to just cotton. The last information that he received on cotton came from the Wall Street Journal explaining some movements in the past 2 weeks. He would like to have a cotton update similar to the present livestock and poultry update.

He enjoys the WASDE reports monthly. They give him the quick look capability that he is looking for in other publications.

**Leland Southard - Economic Research Service**

Creating a dairy newsletter has come up in other discussions. It might become a matter of resource allocations. Would 2 dairy situation and outlook reports a year plus the dairy newsletter be preferable to the present 5 situation and outlook reports?

**Seth Hall - Western Farm Credit Bank**

Yes, for him that would be preferred since it matches the time he has available.

**Jim Nix - World Agricultural Outlook Board**

The livestock and poultry update was designed as a prototype to test the waters. Thus, it might be appropriate to develop some similar updates.

**Leland Southard - Economic Research Service**

Yes, the livestock and poultry update has been very well accepted, and it should be considered a prototype.

**Seth Hall - Western Farm Credit Bank**

Another comment about dairy is that any GATT Agreement will surely increase international trade and more data will be needed.

**Leland Southard - Economic Research Service**

Free trade agreements have already increased the need for information on Canada.

**Ed Missiaen - World Agricultural Outlook Board**

How often does FAS publish dairy data for other countries?

**Jim Nix - World Agricultural Outlook Board**

The import data are included in an FAS summary each month. Otherwise, data for other countries show up twice a year.

**Bill Pratt - National Agricultural Statistics Service**

His Branch will look at dairy size groups as well as those for hogs and other data series.

**Rich Allen - National Agricultural Statistics Service**

The lack of monthly milk production data for Arizona goes back to a major budget cut almost 10 years ago. Fast action was needed since the budget cut came after the fiscal year started. A number of fruit, vegetable, seeds, and specialty items were cut out completely and timing of some data series was altered to save money. The concept for milk production, egg production, etc. was to maintain a large percentage of production on a monthly basis then increase the coverage quarterly. No additional funding has been restored for milk and eggs but a few other things have been restored through Congress over time. The States included in each monthly/quarterly split will be reviewed after the next U.S. Census of Agriculture is available and NASS looks at all data series.

**Grover Roberts - California Farm Bureau Federation**

He agrees that larger size groups are needed in California since he has heard the average herd size is about 400 head.

**Seth Hoyt - Agricultural Marketing Service**

It is unfortunate to not have more industry people here today. He uses many NASS reports like Cattle on Feed. He often hears from producers who have doubts about the data and they should be here today to learn more about the quality and procedures.

When his office really starts using the Laptops for feeder cattle they will have data from 5 auctions and some video auctions by 50 pound increments and will have weighted average prices. He hopes that there will be some way to blend those actual data into the NASS monthly price series.

As far as making estimates for California it might be good to talk to market news reporters to see what they are picking up. They had a lot of comments before January 1, 1991, on cutbacks on cow numbers due to drought. He has talked to Greg Chung in the California Agricultural Statistics Service office on sheep numbers. Perhaps Market News can help in judging the pulse of what is happening for other data series also.

He does have an observation that even people who criticize USDA reports do use them.

He is disappointed that California no longer has as much cattle on feed data available.

**Jim Tippet - California Agricultural Statistics Service**

He wanted to clarify the change to which Seth is referring. His office was able to break the monthly cattle on feed State level figures out by area within the State but this has been one victim of State budget cuts. The State totals are still in the 7-State monthly program.

**Seth Hoyt - Agricultural Marketing Service**

He wanted to pass on a comment from an industry meeting where a wool producer said he never responded to USDA questionnaires.

**Rich Allen - National Agricultural Statistics Service**

There is a surprising high number of producers who continue to cooperate with our volunteer surveys but few people will speak up and say they report. A few years ago about 22 hog producers from Illinois were in Washington, D.C. for a briefing in conjunction with a Hogs and Pigs release. The State Statistician from Illinois was with the group and knew that 12 people in the group had been in the current sample and did respond. However, when another farmer in the group said something about not cooperating no one in the room would acknowledge that they had reported.

**Jim Cothorn - California State University at Fresno**

One piece of information that has been lost is the former county series on stockers. That information, along with cow numbers, is the key to tracking industry trends. For example, there is a study being conducted right now on changes in the cattle industry as cows move out of the San Joaquin Valley.

**Allen Hurlburt - California Pork Producers**

He wants to follow-up on Seth Hoyt's comments on producer apathy concerning reports. You could also mention producer confusion and frustration. The producer is the "tip of the pen" which creates all of the information that everyone uses. Producers provide very confidential data which are kept confidential but are not returned to producers in a form that they can use and understand. Even in his case, he keeps up on hog data and analysis but is at a disadvantage when it comes to judgements about grains. He might end up asking his grain elevator if this is a good time to buy grain.

**Jim Cothorn - California State University at Fresno**

Has he considered getting a satellite dish to pick up the DTN Network reports out of Omaha?

**Allen Hurlburt - California Pork Producers**

Some people have tried to talk him into the satellite dish but he hasn't gotten one. He knows who to call for his hog report data directly or he sometimes picks up information that the elevator gets over their dish.

**Allen Hurlburt - California Pork Producers**

He likes the Agricultural Statistics Board calendar in the information packet which highlights the important Crop and Livestock Reports. He probably has seen this at the elevator but had not looked at it closely. This is one type of information that should be interesting to farmers.

He estimates that he spends the equivalent of at least one day each year filling out NASS questionnaires. If information from those reports got back to farmers in a more timely basis it might improve response.

**Jim Tippet - California Agricultural Statistics Service**

Would the pork producers distribute copies of the Agricultural Statistics Board calendar if he made them available?

**Allen Hurlburt - California Pork Producers**

His organization is not set up well for such a distribution. Is there some other way to get them to all farmers directly?

**Jim Tippet - California Agricultural Statistics Service**

He would like to follow-up on Allen's second point on timeliness. When a report is issued in Washington, D.C. at 3:00 p.m. Eastern Time his office has the full report electronically shortly thereafter. However, the publication that his office prepares has to go through the California Department of Food and Agriculture print and mail shops so he can't get a report out to producers very quickly.



**Allen Hurlburt - California Pork Producers**

It should be the producer's job to keep up with when important information is being released (as he does with hogs). Thus, the question is, who is the key source to determine the release dates and how to get data immediately?

**Jim Cothorn - California State University at Fresno**

Does the California Farm Bureau Ag Alert still send out a calendar each year? He knows some brokerage firms put key trading dates out in special calendars. The Farm Bureau calendar is a nice size for adding items like NASS release dates.

He feels that this discussion points out an important fact. The major problem is not the amount or quantity of data. Dissemination is the biggest issue. His university no longer has the Situation and Outlook reports in the library since a recent budget tightening took them out. When Extension Service doesn't have reports it closed off an important avenue for informing producers.

**Allen Hurlburt - California Pork Producers**

Can a 900 number service be set up for access to reports? This could be a centralized service and the caller could indicate which data he or she wanted.

**Ed Missiaen - World Agricultural Outlook Board**

The USDA National Agricultural Library (NAL) does have a donor exchange policy. If an University like Fresno has something to trade they may be able to get the Situation and Outlook reports from the NAL for free. FAS circulars might also be obtained.

**Grover Roberts - California Farm Bureau Federation**

His work is in the area of National Affairs Research. This is an effort to get the individual State Farm Bureau Federations involved with National Legislation. He is working on issues such as wet lands, grazing fees, and endangered species. The Federation has 21 Advisory Committees and he works with 4 (beef, sheep, swine, and forestry). He feels he is a key contact between the agencies and producers. He contacts the California Agricultural Statistics Service and the Market News staffs on a frequent basis. For example, he has probably talked to Sid Williams of California Agricultural Statistics Service about 3 times this year for information verification. During a field crops conference this February Seth Hoyt met with the hay committee.

He had misjudged the meeting today. If he had realized it was so producer oriented he could have had some producers here but he thought it would be more oriented to staff members only.

He is concerned about the future of State funding for Market News and statistics. Too many legislators feel that the data only benefits producers and that producers should pay directly. He knows that the State government units are having to submit proposed budgets for cuts of various levels up to 15 percent or more.

One concern that he has is that producers likely had better access when reports were free. Producers might not subscribe to reports that they should.

**Jim Tippet - California Agricultural Statistic Service**

As a point of clarification, his office provides free periodic reports back to voluntary reporters but all Market News publications are on a subscription basis. In his own office, he has to charge for all copies of annual State of California bulletin publications to pay his annual printing bill.

He agrees with Allen and Seth that producers kid around and often bad mouth reports but they do depend on data. If they didn't report there would be no information back to producers.

**Jim Cothorn - California State University at Fresno**

Presently he can get summary level information from the DTN Service and he can get some detailed information from a friend that gets it electronically. However, what are the other options?

**John Van Dyke - Agricultural Marketing Service**

There are two AMS approaches that he wanted to mention. There is a present satellite data service through US Sprint. That has nearly all AMS daily and weekly data plus a number of NASS reports are included. He understands that Oregon State University has a Sprint dish and does feed information to some other Universities.

AMS is also in the process of building a data base of Market News information. It is being used internally now but will be accessible to the public at some point in the future.

**Rich Allen - National Agricultural Statistics Service**

All NASS current information reports are put on the USDA Computerized Information Delivery Service (CIDS) along with selected reports from State Statistical Offices. The present CIDS contract allows NASS to segment reports so users can select just the parts they want from a menu and minimize line charges.

NASS is also working on a data base which will include all published estimates. The only outside access to that data right now is an account that has been provided to ERS for testing. NASS would prefer to make its data available through some broader USDA wide data base system if one is ever developed.

NASS, like ERS, will make most of its data available on diskettes. If someone requests a data set, we determine what format would be best and create the diskette if it is the best alternative. Some standard diskettes will likely be offered for sale in the future.

**Jim Cothorn - California State University at Fresno**

He likes PS&D view as a good standardized front end engine for diskettes. He encourages NASS to consider it.

**Allen Hurlburt - California Pork Producers**

Bill Pratt's material this morning emphasizes the role of farmers as data providers. Farmers are the main providers but others are often the primary users. He wants to be sure that farmers have the best access. Today's farmers are sophisticated enough to use information when they get the right stuff.

**Dave Kleweno - California Agricultural Statistics Service**

He is interested about the value or usefulness of printed information rather than immediate access information.

**Allen Hurlburt - California Pork Producers**

In general, it is too late to wait for printed information on the present schedule. However, there are times that he has a lot of data on hand and he knows he needs something which is already released and it is then a matter of finding it.

**Don Bell - University of California at Riverside**

He has some very detailed comments which he will provide for the record. His work involves 3 different newsletters. One goes to 400 leaders in the U.S. poultry industry. A second goes to about 50 leaders in the egg industry only. The last one goes to about 7 people interested in projecting the size of the laying flock in the U.S. Like everyone else his newsletters have to be paid for by subscriptions.

The egg industry is very sensitive and the 1 percent level of precision that NASS has talked about is just too large. There is presently about one chicken for every person in the country. Therefore, 0.5 percent is 1 million chickens worth about \$44 million in a year. In the past few years the total fluctuation in the industry has been about 3.5 percent in volume which has resulted in market fluctuation from worst to best.

In the past he has discussed data needs with Agencies and he has found that new data will be much too costly. Thus, the emphasis must be on best use of present data. There is presently 20 State data, 50 State data, monthly data, quarterly data, hens and pullets of laying age, chickens greater than 3 months old, etc. Thus, there are multiple series which are sometimes mistaken for each other but are not the same. For poultry and eggs, proper definitions are more important than timeliness. He is concerned that producers may not be defining things the same way that users are assuming.

Operations have different people filling out questionnaires from time to time. However, the questionnaires do not have all the definitions included. What does NASS mean by molting? What is the definition of a laying hen? What is the first sale of eggs? The first sale of eggs in many situations now is after processing and in cartons. Are carton prices being averaged with other sales of raw eggs so pricing is a mixture which doesn't relate to either situation?

California is the biggest egg producing State but no table egg layer count is available since the breeder hen numbers are confidential. NASS should explore some other approach to provide useful information.

Another question is on the relationships between chicks hatched and chicks placed. He also thinks that not all birds leaving the flock are counted, only those slaughtered.

Continuity may be an exaggerated problem. People seem afraid to give up a data series even if it is not satisfactory now. Thus, we might be burdened with some minority series.

**Rich Allen - National Agricultural Statistics Service**

Would Don argue that any money saved by eliminating or changing a data series should be kept in the egg industry somehow?

**Don Bell - University of California at Riverside**

Not necessarily. He thinks USDA should sit down with the industry and review present questionnaires, definitions, and reports and have the industry "red pencil" information to change.

**Allen Hurlburt - California Pork Producers**

He agrees that there might be a lot of duplication of data series.



# **DATA USERS MEETINGS**

**Denver, Colorado**

**April 27, 1992**

## **Steve Horn - Colorado Department of Agriculture**

He can not overstate the role that the agencies represented here play and the importance of information to agriculture. There was a breach in Colorado State statistics about 4 years ago when all State funds were removed. That was a painful experience and it was fortunate that some funding could be reinstated through the legislature. Livestock now accounts for 71 percent of all farmgate sales in Colorado. Most of the \$3 billion in livestock sales is cattle, but Colorado is the number one sheep feeding State, and pork and poultry producers are finding this a good place to be. Most crop production now supports livestock production with value of corn and hay exceeding wheat. His one concern for the future is how long the American public will continue to pay for the wide amount of data that USDA provides. We all know that USDA is under fire from many sides and there are efforts to streamline USDA. Although the agencies here are not involved in any of the controversy, he is afraid that all programs in USDA will be examined and none will be exempt from change. Perhaps this meeting can be a factor in letting data users have a voice in terms of what is important. In his job, he needs data and uses them each day. He offers his best wishes for today's important work.

## **Howard Wyman - American Sheep Industry**

Will the new lamb carcass report be yield/grade 3 or yield/grade 2?

### **Weldon Hall - Agricultural Marketing Service**

The report is not set up on a yield/grade basis but might be thought of as deviation from yield/grade 3. Yields utilized are average industry yields and could reflect the full range of yield grades over time.

## **Darrell Holaday - Kansas Farm Bureau**

How can he get the Texas border crossing data?

### **Weldon Hall - Agricultural Marketing Service**

The only way to get it consistently, right now, is to contact the San Antonio AMS office. Most people want it on a weekly basis and check once a week. The San Antonio phone number is 512-224-6934.

## **Chuck Lambert - National Cattlemen's Association**

He has appreciated the past responsiveness of the agencies which are here. Fred Vogel and John Van Dyke probably think that NCA goes to another new issue whenever one has been finished, but there have been a series of important improvements recently. Some issues that have been good examples of cooperation have been more weight group data, faster slaughter publications, and the Friday release dates.

There are changes going on in the industry which affect data needs. Commodity flows are going to be more important; about 5 percent of beef products are exported now and this will continue to grow. Better export data are needed in order to calculate derived demand. He would also ask for export price data which he knows are very sensitive but at least a box cutout value should be provided in order to determine what quality of products are moving.

The "away from home" market is very important but there are insufficient data. Present data series assume the mix of beef products used away from home is the same as home consumption. Instead, he feels the away from home leans more to the middle meats.

As far as changes on the horizon, he feels the new price series for hogs is important. That may eventually spread to cattle. There is starting to be information on 1/4 inch trimmed product and that should be a wave of the future.

The industry is moving to more functional integration. In the future, day to day prices will be less available because of more forward contracting.

**Mel Davis - Farmland Foods**

He has some questions on the new hogs tables. What will or do the prices mean?

**Weldon Hall - Agricultural Marketing Service**

AMS is trying to create a report which will follow lean value through the market. Consumers want a lean product but producers were formerly paid on dressing percent. The industry wanted a tool to allocate retail market data back to producers. If a producer knows the weight, backfat, or lean yield of his hogs, he or she can apply this data into the matrix and, along with knowing the premium and discount policies of a packer, can calculate the value of their hogs. This matrix is a value report, not a price report. It gives the value relative to premiums and discounts based on lean value.

**Mel Davis - Farmland Foods**

How often will data be available?

**Weldon Hall - Agricultural Marketing Service**

There will be daily data. Six major packers in the Southeast that all use the fat-o-meter the same way have agreed to participate.

**Mel Davis - Farmland Foods**

What is the present accuracy of the fat-o-meter?

**Weldon Hall - Agricultural Marketing Service**

He thinks it is in the 75-78 percent range now.

**Mel Davis - Farmland Foods**

He still is not sure how the data could be used.

**Weldon Hall - Agricultural Marketing Service**

If a producer gets a bid from a packer and he or she knows the attributes of the hogs and the premium and discount levels, they can determine if this is a good price. It might also be used for buying breeding stock based on recent performance. Packers can utilize this report to educate producers as to why premiums or discounts are applied and align purchases with product sales.

**Mel Davis - Farmland Foods**

The breeding stock example leads him to a comment. In their own research they have found that one of the two major breeding lines tests with more backfat but cuts out better and gives the company a better value.

**Weldon Hall - Agricultural Marketing Service**

It is possible to have more fat and be of more value if the hog has superior muscling. That's why backfat must be adjusted for superior or inferior muscling. This will be a process of continuing research and improving accuracy in the future. The first work is in the Southeast since that is the only area where packers use the same procedures. There is research going on at Purdue University and elsewhere on the Total Body Electronic Scanning (TOBESC) procedure.

**Mel Davis - Farmland Foods**

It will be important to have accuracy.

**Weldon Hall - Agricultural Marketing Service**

The present accuracy is sufficient for a start. It will be used by the packers themselves to see how they are doing on the hogs they want to acquire. As technology develops, accuracy will improve.

**Darrell Holaday - Kansas Farm Bureau**

Is there a matrix for each packer?

**Weldon Hall - Agricultural Marketing Service**

Yes, data will be collected from each packer but what will be published will be the ranges over all packers.

**Darrell Holaday - Kansas Farm Bureau**

Will premiums be factored in?

**Weldon Hall - Agricultural Marketing Service**

Yes, those will be shown in the appropriate cells of the matrix.

**Bob Brown - Wilson Foods**

If premiums are in, are the base prices there?

**Weldon Hall - Agricultural Marketing Service**

Base prices are shown in the zero/zero adjustment cell.

**Roe Erlandson - George A. Hormel Company**

Is this a meat price?

**Weldon Hall - Agricultural Marketing Service**

This is actually a hot carcass price, not a meat price.

**Bob Brown - Wilson Foods**

What are the super number ones?

**Weldon Hall - Agricultural Marketing Service**

Present USDA grades show anything less than 1.0 inch as a U.S. No. 1 with no additional breaks. There needed to be some way to breakout hogs with less than one inch of back fat. For example, some packers may have an additional breakout for 0.6 inch and lower.

**Bob Brown - Wilson Foods**

Has he seen any breakout of hogs in this report versus USDA grades? Will there eventually be a change in USDA grades?



## **Weldon Hall - Agricultural Marketing Service**

Texas A&M is studying grade levels now and grades may eventually be changed.

### **Bob Brown - Wilson Foods**

At an American Meat Institute meeting in Chicago, the National Pork Producers asked if everything can be standardized. The answer which came back from packers was absolutely not. The USDA grades did not work and each packer developed different procedures based on what kinds of hogs they needed and what it took to get them.

### **Roe Erlandson - George A. Hormel Company**

It is important that farmers get an incentive. Hormel uses grade and yield. How is the fat-o-meter used in the Southeast?

## **Weldon Hall - Agricultural Marketing Service**

They are using the fat measurement at the 10th rib. The fat-o-meter utilizes a ratio of 4 to 1 (fat to lean) in calculating a lean yield. It measures depth of fat and lean.

### **Howard Wyman - American Sheep Industry**

He was in a meeting recently with the Farm Bureau, the National Cattlemen's Association, and the Sheep Industry. The upshot was that each group must educate their people and consumers.

### **Mike Smith - Colorado Cattle Feeders**

Today is mainly an educational and information gathering experience for him, so he doesn't have any comments right now.

### **Tom Morgan - Sterling Research**

He feels that USDA often gets unfair criticism when some differences have resulted from inaccurate analysis. He was concerned today with the comment that the weight group data are only accurate to 4 percent. If that is the case, the inaccuracy can be compounded over time.

## **Rich Allen - National Agricultural Statistics Service**

The comment related to the sampling error of the basic survey. (The comparable figure for inventory is closer to one percent.) It doesn't mean that estimates are necessarily off by as much as four percent. Since there are a number of indications from the present survey and previous surveys must fit together before final estimates are determined. Past track records indicate that revisions are usually less than about half of the sampling error.

### **Tom Morgan - Sterling Research**

He would like to see the monthly Cattle on Feed reports continue. They are helpful to those who put the work into consistent analyses and don't focus on just one report. He is still concerned about the sampling error figure. If a weight group year over year indication is 107.9 percent, users still want to believe in that, not that the actual might be between 103.9 and 111.9 percent.

Consumption away from home is very important. For beef, estimates range up to 50 percent of the total. In 1990, the price spreads were much greater than normal. That might have been due to some weakness in the away from home consumption. That can't be analyzed from retail prices only.

He would encourage any efforts to improve calculation of wholesale meat prices.

He would suggest 700 pounds as the lower weight group break for cattle but he would extend the old series for about 5 years, not just 2 or 3 years since structural changes are still occurring in the industry.

He likes the fact that disappearance data for the various species are becoming more comparable.

Have there been any changes in the retail pork series?

**Ron Gustafson - Economic Research Service**

Changes were made about a year ago.

**Tom Morgan - Sterling Research**

The industry does need more country data in order to determine what really is happening with exports.

One good number to have would be what percent of steers are now dairy steers. That has increased and a new benchmark is needed.

**Darrell Holaday - Kansas Farm Bureau**

As far as cattle on feed estimates, perhaps analysts have been too critical. Would Bill Pratt say the numbers over time have been consistent? Has there been a change over time due to definition or other factors?

**Bill Pratt - National Agricultural Statistics Service**

The work on definitions a few years ago was not an effort to change levels at all. Instead, it was an effort to standardize data collection. NASS has looked at the numbers closely and done some followups and we don't feel that the new definition caused a change. There still is a problem with when calves are actually on feed. This is not a new problem. He recently came across a paper by a young statistician when Fred Vogel was the Deputy Statistician in Illinois in the late 70's which concluded that farmer feeders didn't classify calves on feed consistently.

**Darrell Holaday - Kansas Farm Bureau**

He is concerned about changes in the industry. A specific feedlot may have been used for backgrounding and not have cattle counted on feed but is now leased out to someone who will feed cattle of the same weight out to slaughter.

**Bill Pratt - National Agricultural Statistics Service**

If we keep up with the sample lists, we would pick up the cattle correctly since we now measure the lot from which they will be marketed for slaughter.

**Darrell Holaday - Kansas Farm Bureau**

He is also concerned that some lots might report all purchases for the previous month as placements regardless of weight or where the cattle are originally placed.

**Tommy Beall - Cattle Fax**

He has raised a lot of questions on cattle on feed and the change in definition. The definition change happened at the same time that he had problems with numbers. He does get some data each month which helps him to interpret cattle on feed levels. He gets data on days on feed and placement weights which definitely helps in analysis.

He didn't realize that the definition had changed for about six months after the change. He still doesn't agree with the change since defining based on ration could count almost anything on feed. Defining cattle on feed based on location rather than ration would be better.

**Fred Vogel - National Agricultural Statistics Service**

The concern in researching a new definition was to avoid duplication. Therefore, the concept of whether cattle would be marketed for slaughter from this lot was added.

**Darrell Holaday - Kansas Farm Bureau**

That still brings him back to his concern. One day an operation could be backgrounding some 650-850 pound cattle and they would not be counted on feed. However, if tomorrow they lease to a different operation which will feed the same cattle the same ration but now with the intention of keeping them in the lot until they are slaughtered, they are counted as being on feed.

**Fred Vogel - National Agricultural Statistics Service**

That identifies a basic problem with any definition of what constitutes an animal on feed. In your example, we have a similar problem trying to determine which ration makes them eligible to be counted. One thing that NASS does use is the month to month balance sheet which looks at slaughter and marketings. Current figures fit within the range of survey data and the balance sheet. We know that no definition is perfect, we are searching for one that can be used consistently over time and the current definition is the best we have been able to define.

**Ken Betschart - Torrington Feeders**

His operation is a Continental Grain feedlot. He likes the monthly cattle on feed rather than just the quarterly. On the feeder cattle report of AMS is there any provision for picking up country trade?

**Weldon Hall - Agricultural Marketing Service**

The weighted averages do include video auctions, satellite auctions, and direct trade.

**Ken Betschart - Torrington Feeders**

Where do the direct trade data come from?

**Weldon Hall - Agricultural Marketing Service**

They contact direct buyers in 15 major production areas of the U.S.

**Ken Betschart - Torrington Feeders**

About 80 percent of the cattle they feed are through order buyers and which don't go through auctions.

**Weldon Hall - Agricultural Marketing Service**

The total number of head they will be able to include of each type should be large enough to be representative. They still may need more direct sales but will need to get the budget somehow. Presently, Market News reports about 25 percent of the feeder cattle sold in the U.S.

**Ken Betschart - Torrington Feeders**

There are about 10 major order buyers who do most of the business.

**Tommy Beall - Cattle Fax**

His understanding is that most direct trade measured by AMS is on a delivered basis. How can that be included with auction and video sales in the same index?

**Weldon Hall - Agricultural Marketing Service**

The direct video and auction sales will be carried as separate weighted average reports. It will be up to the Chicago Mercantile to determine which data they will utilize.

**Darrell Holaday - Kansas Farm Bureau**

How will forward contracting be handled?

**Weldon Hall - Agricultural Marketing Service**

AMS will collect delivery times and prices. They will be weighted together for that category.



**Staci Busby - Colorado Cattle Feeders Association**

She has enjoyed the discussion so far but does not have any new questions.

**Dave Flitner - Wyoming Farm Bureau**

He has questions about sheep inventory and price movements. How are these data collected around the country?

**Fred Vogel - National Agricultural Statistics Service**

The January sheep survey is integrated with the cattle survey as Bill Pratt showed this morning. The former separate sheep survey was quite weak. The total sample size of 80,000 provides better coverage of sheep than the separate survey. The new survey uses lists that are stratified for sheep and cattle and an area frame sample to measure list incompleteness. The sample does include sheep on feed producers as well as lamb producers. There is a lot of matching up needed to clear up confusion on ownership versus location of the sheep.

**Dave Flitner - Wyoming Farm Bureau**

He also has a question on public policy. Has anything been considered to give an economic incentive to report?

**Fred Vogel - National Agricultural Statistics Service**

Paying for reporting has been considered but it couldn't be afforded in the present budget.

**Dave Flitner - Wyoming Farm Bureau**

He would think of something like a tax credit instead of a direct payment. How good is the current response rate?

**Fred Vogel - National Agricultural Statistics Service**

An incentive might help. The present response rate on the January survey is 85-90 percent. Part of the operations not reporting are because they can't be found during the short data collection period.

**Paul Justis - Doane Agricultural Service**

Has cooperation gone up or down?

**Fred Vogel - National Agricultural Statistics Service**

Cooperation may have gone down somewhat. We definitely have to work harder to maintain the level of cooperation.

**Paul Justis - Doane Agricultural Service**

What are the reasons for less cooperation?

**Fred Vogel - National Agricultural Statistics Service**

One problem is that operations are now contacted by so many other organizations seeking data. Our offices have to take special efforts to validate our surveys as legitimate government, voluntary surveys.

**Terry Franci - American Farm Bureau**

By combining the sheep with the cattle could that have affected the sheep results? He thinks there have been some major changes in estimates in recent years. When was the first survey?

**Fred Vogel - National Agricultural Statistics Service**

The first integrated survey should have been January 1, 1987. He doesn't think the new survey design should have affected levels. There are possibly about 10,000 sheep operations of the 80,000 total operations.

**Terry Franci - American Farm Bureau**

People sometimes tell him that they don't report accurately on NASS surveys. He has always wondered about that since it would seem easier to just not report. What is the NASS experience?

**Fred Vogel - National Agricultural Statistics Service**

There are several things which counter any false reporting. For the major quarterly surveys, about 50 percent of all operations are included in the next quarter so the previous data are helpful in interpreting the current report. Also, the individual reports have a number of interrelationships which are hard to fit together with false reports. If there are questions, the operation might be re-telephoned.

**Bob Brown - Wilson Foods**

Does the response rate vary by strata or is it consistent? Also, do we get all of the big operations?

**Fred Vogel - National Agricultural Statistics Service**

We do have to spend more time with the big operators to insure good cooperation.

**Rich Allen - National Agricultural Statistics Service**

We do not want a State office to accept the first refusal as final. Sometimes we find that there is a particular person in the organization that we should contact. Sometimes special arrangements are needed. For example, there are some large operations in Kentucky which report only if the State Statistician collects the data himself. In other cases, operations will not report cattle on feed inventories each month but have told us we can drive by and observe the inventory.

**Bob Brown - Wilson Foods**

The recent size group data showed that 30,000 operations account for most of the hog production. He expects that NASS gets most of those operations.

**Karl Skold - Quaker Oats Company**

How have changes in industry structure changed sampling errors?

**Rich Allen - National Agricultural Statistics Service**

Having fewer operations gives a potential to reduce sampling error if we can get them classified into the right size group strata.

**Jim Rubingh - Colorado Department of Agriculture**

He works a lot with export data. He gets that data from Census on CD-ROM's. Has USDA considered putting all of its data on a CD-ROM? Also, he wonders about data on specialty livestock like horses and elk. He actually gets some good elk data from growing associations but there are no horse data.

**Rich Allen - National Agricultural Statistics Service**

Some data like county estimates for livestock have been provided on diskettes upon request. NASS is now prepared to provide more diskette products and will probably advertise some in future annual catalogs. Up to now, NASS was not sure that enough data users had CD-ROM reading capability to explore CD-ROM products. At least one vendor did put all NASS crop county estimates data on a CD-ROM but it is not known how many copies were sold.

When NASS put a plan together a few years ago for restoring a wide variety of specialty commodities equine data was included in the last of 4 increments. A number of State Statistical Offices have conducted equine surveys which were State funded. It has been felt that equine surveys would be a long shot to be supported by the USDA or OMB in the budget process. NASS can get more support for production type commodities.

**Fred Surls - Economic Research Service**

Most ERS data bases are relatively small and they have been planning on using diskettes rather than CD-ROM. They may soon put Situation and Outlook reports on diskettes as an alternative to hard copy.

**Jim Rubingh - Colorado Department of Agriculture**

Has the use of volunteer reporters in urban areas been considered for surveys such as equine?

**Rich Allen - National Agricultural Statistics Service**

Volunteer reporters have not been used but Extension directors are contacted as an usual good source of who has horses or who might know. This was in addition to getting membership lists from all equine associations in the States conducting surveys.

**Bill Pratt - National Agricultural Statistics Service**

He was contacted recently from the American Horse Council who want a proposal for the cost of doing a national horse survey similar to one done about 20 years ago.

**Howard Wyman - American Sheep Industry**

Are horse slaughter statistics collected?

**Bill Pratt - National Agricultural Statistics Service**

Yes, they are accounted for in the Federally inspected slaughter data series.

**Fred Surls - Economic Research Service**

He wants to be sure what trade data that Jim Rubingh is getting on CD-ROM.

**Jim Rubingh - Colorado Department of Agriculture**

This is the monthly trade data CD-ROM from Census. He is impressed with how much data fits on one diskette. He expects that all USDA agencies data might fit on one diskette.

**Bill Thompson - Rocky Mountain Farmers Union**

His usage of data is different from many people in the room since he is mainly looking at long-term trend analysis. Diskette data sets are very good for him.

Improved data on away from home consumption and prices of more heavily processed retail products are needed in order to properly interpret farm to retail shares.

**Ron Gustafson - Economic Research Service**

The big question is where the data can be found since it is mostly proprietary data.

**Howard Wyman - American Sheep Industry**

He wants to compliment USDA. Until a few months ago he didn't know they were there to help the lamb industry. Some of the things the industry asked for were not easy to do but he appreciates the changes which have already been made. He understands that some other actions might now be in limbo because of the President's moratorium on regulations.



Being able to get more export data helped to pave the way for better lamb prices. However, the 20-cent price jump was after he sold his lambs. The data showed that 800,000 head were going to Mexico out of the 5.5 million or so total head available which really helped the domestic market.

Import/Export data seemed to be suspect in the past. At one time he shipped lambs to Canada regularly and he didn't think they showed up as exports.

One approach that he is pursuing with NASS is a monthly survey on what is happening in the industry. NASS could contact 20-25 people monthly and get trends on what is happening in the feeding industry. That type of contact should start before the Idaho movement starts in July.

The National Lamb Feeders Association has discussed the enumeration question. They felt that better access to data such as a special copy of monthly results might be fair repayment.

#### **Brad Anderson - ASCS**

He is always interested in using Livestock data to estimate the feed grain demand. He has nearly concluded that he can predict just as well from the grain stocks reports alone.

#### **Dick Loewy - AgResource Company**

He is mostly grain and oilseeds oriented. He is glad to see that the meal exports have been updated between USDA and Census. It is also helpful to get the monthly crush data again. Besides the lack of detail when only quarterly was provided he found there was also a tendency to become complacent and not do as much ongoing analysis while waiting for the quarterlies.

On the coarse grain side he finds that trade matrices are not as available for barley, milo, and corn as for oil seeds. At times he has gone to the countries directly to find out where coarse grains are moving. He would like to see more trade matrices for grains.

#### **Jim Donald - World Agricultural Outlook Board**

The situation has improved somewhat for corn but there still is not much solid information to report for barley and sorghum.

#### **Fred Surls - Economic Research Service**

He agrees that USDA has been reluctant to do much since considerable effort is needed to update the old matrices and get a proper base.

#### **Dick Loewy - AgResource Company**

He appreciates some of the problems but wanted to comment that the 1988 update that USDA did was helpful.

#### **Mike Sands - Western Livestock Marketing Project**

He wants to start with a recent concern. He follows the weekly livestock, meat, and wool report. His organization aggregates the daily wholesale cut prices for beef and pork to simple averages but finds that they don't match well with the published weeklies. He doesn't understand why and thinks they matched better in the past although he has not verified that. He also has some concerns with the published weeklies matching up with the dailies.

#### **Weldon Hall - Agricultural Marketing Service**

What is reported weekly should be the weighted averages of the daily weighted prices. He doesn't understand why the relationship should have changed but it might be a flow problem. The LS-214 forms used to come to Washington but now they stay in the regional offices. The Des Moines office provides both a simple daily and weekly average and a weighted daily and weekly average for traded product. This may be where the confusion exists.

**Mike Sands - Western Livestock Marketing Project**

Are we setting ourselves up for the same type of problems on meats that occurred in 1973 on grains and led to the export inspection requirement? Most new questions now have to do with exports - to Canada, Mexico, the EC, etc.

**Sue Buhler - Agricultural Marketing Service**

Is Mike most interested in import or export data and is it meat or products?

**Mike Sands - Western Livestock Marketing Project**

It is actually all of the above. Data needs depend on time of year and the season. At times it has been exports to Japan. Last year we were close to the import trigger level on beef and U.S. prices were weak. Right now the biggest need might be cattle coming from Canada.

**Bob Brown - Wilson Foods**

One example of how fast things change is shown by the fact that Mexico now accounts for 30 percent of U.S. exports, up from nothing.

**Sue Buhler - Agricultural Marketing Service**

She had some of the same concerns that Mike mentions and has explored alternative sources. On the Canada side, imports to Canada are reported very quickly. Mexico is very slow and has become very important in turkey exports with prices fluctuating between \$.90 - 1.20 per pound. She has found that poultry certificates for exports don't go anywhere for processing.

**Darrell Holaday - Kansas Farm Bureau**

He finds he can get Canada import data faster than U.S. export data to Canada. Often he can get import data from Japan faster than our corresponding export data.

**Ron Gustafson - Economic Research Service**

There should be a meeting like this with the Census people working on imports and exports.

**Howard Wyman - American Sheep Industry**

What is the possibility of a reciprocity agreement between Canada and the U.S.?

**Ron Gustafson - Economic Research Service**

He is not sure how to set up an agreement but he knows the Canada analysts are also frustrated.

**Sue Buhler - Agricultural Marketing Service**

We must remember that most data we are talking about are collected for some other purposes and those Agencies are not usually not interested in changing procedures to help other "Secondary" users.

**Howard Wyman - American Sheep Industry**

He has some problems with data collected for tariff purposes. If he can just find out that 100,000 lambs moved to Mexico, he will find out where and how.

**Jim Donald - World Agricultural Outlook Board**

What are the current issues? He has felt that Census has been trying to provide better data but it has taken additional review time to do so.

**Ron Gustafson - Economic Research Service**

Much of the problem is probably in the codes.

**Mike Sands - Western Livestock Marketing Project**

The FAS Circular figures for 1989 which were changed were particularly hard to understand.

**Ron Gustafson - Economic Research Service**

The changes were very likely due to specific questions from some organization to check on some data discrepancies.

**Sue Buhler - Agricultural Marketing Service**

Problems on the broiler side were due to different classifications being reported in Japan than those used by Census.

**Tommy Beall - Cattle Fax**

Export data improvements is a continuing need. We did have better data from Japan for awhile. In 1989 U.S. data showed value up 40 percent and quantity up 20 percent but the Japan data came in about 40 percent lower.

Getting data 6 weeks to 3 months later is of limited use. Codes are a particular problem. He tries to convert back from products to carcass weight but finds it nearly impossible with harmonized data. Someone needs to figure out the conversion factors. He feels many people in USDA are also concerned so perhaps someday they can figure it out.

**Ron Gustafson - Economic Research Service**

The only thing he has seen so far that helps is to lump several codes together.

**Tommy Beall - Cattle Fax**

The bottom line is that export data are needed quicker and they must be more consistent.

**Ron Gustafson - Economic Research Service**

The U.S. has gone from customs inspectors who knew and understood traditional products to individuals who tabulate numbers for products they don't understand. If AMS can ever get some export price data, they will need better product identification even more.

**Mike Sands - Western Livestock Marketing Project**

He wants to also throw a couple of specific requests. NASS reports breakouts once a year by size of operations. The present groupings don't help much in explaining what has happened in the industry or anticipating what will happen next. Larger size group categories are needed for both cattle and hogs.

Collecting feeder cattle placement weights could be a great help.

**Ron Gustafson - Economic Research Service**

Are averages sufficient or are distributions needed? He thinks it would be hard to interpret without some idea of the size class distribution.

**Mike Sands - Western Livestock Marketing**

Even the average would provide some information on likely changes in days on feed.

**Mike Sands - Western Livestock Marketing**

In the monthly slaughter data by State and class, NASS is publishing fewer States due to confidentiality. This sometimes leaves out some major States which hurts analysis by regions. Is this truly a data problem or is it funding?

The livestock statistical bulletin that ERS, NASS, and AMS published periodically is quite outdated. Will it be redone?



**Ron Gustafson - Economic Research Service**

The bulletin won't be revived, but ERS will publish much of the data once a year as a yearbook in the Situation and Outlook series.

**Mike Sands - Western Livestock Marketing**

He does want to applaud the faster reporting of slaughter data. Also, the improved AMS cattle reporting is good although it changes the data series. The AMS weighted average figures are also an improvement. He wants to second Sue's comment that we must realize that many data series are collected for other purposes.

**Bill Pratt - National Agricultural Statistics Service**

The basic NASS confidentiality rules are that a total will not be published if it represents 3 or fewer operations or if one operation has 60 percent or more of the total. The present slaughter statistician is watching those concerns very closely. The alternative is to get a signed waiver from the organization(s) involved allowing us to publish.

**Rich Allen - National Agricultural Statistics Service**

The NASS confidentiality rules are very comparable to those used by other U.S. Statistical agencies. He also wanted to emphasize that we require that the waiver be okayed and signed annually. Otherwise, management in a company might change and we might get off on the wrong foot with new management if we follow the old arrangement.

**Jim Nix - World Agricultural Outlook Board**

If some individual States can not be published it becomes an issue of what regional groupings would be most helpful.

**Pat Luby - Oscar Mayer**

He offered accolades to USDA for its efforts to improve. However, he wanted to mention that he still has problems in the Cold Storage report with the "other poultry" category.

**Howard Wyman - American Sheep Industry**

Are cold storage data only from bonded warehouses?

**Bill Pratt - National Agricultural Statistics Service**

The Cold Storage report covers all warehouses which keep products at 50° or below and store products for 30 days or more.

**Bob Remmeke - ConAgra**

What is the possibility of expanding broilers eggs set and chicks placed data beyond the 15 weekly States?

**Bill Pratt - National Agricultural Statistics Service**

There were more States at one time. There was a particular data problem as California data diminished and had to be suppressed and no one wanted to be combined with California. Even though there have been some increases in States outside the 15, it is felt that those States might still have publication problems due to a small number of operations.

**Bob Remmeke - ConAgra**

It would be ideal to have an U.S. total plus the 15 State breakouts. Are data being collected from company headquarters or from individual hatcheries?

**Bill Pratt - National Agricultural Statistics Service**

It is a combination. We collect data based on how the company prefers to report and how they can best report consistent information.

**Terry Francl - American Farm Bureau**

He wanted to point out that the Census Bureau offers nearly all products on CD-ROM. The price is now reasonable. He is looking at past futures option data. If he could get past State price location data on a CD-ROM he would be able to figure the appropriate basis.

He recently was looking at some data that an Agency gave to Congress which were not available through USDA since they had not been cleared for normal publication. It is hard to sort through the Congressional Record to find data.

**Ron Gustafson - Economic Research Service**

Having data presented to Congress before release is an unusual case but it does happen.

**Jim Donald - World Agricultural Outlook Board**

If new data show up in something like an Assistant Secretary's testimony which have not been published there often is a press release or a summary which gives the data.

**Bob Brown - Wilson Foods**

It would be helpful to have some guide to data included in Congressional testimony.

**Fred Surls - Economic Research Service**

Any such data usually shows up in a Department release such as the Agricultural Outlook or as a feature article in another publication.

**Lance Fretwell - Colorado Agricultural Statistics Service**

What is the series he has seen called selected speeches?

**Fred Surls - Economic Research Service**

That is essentially a press release type series which captures information from most public presentations by top USDA policy officials. He also wanted to mention that USDA now has a fax service for press releases.

**Terry Francl - American Farm Bureau**

He wanted to emphasize that the organizations which are here would be willing to help USDA agencies with data and budget needs.

**Bill Thompson - Rocky Mountain Farmers Union**

How are decisions made on which topics become monograph series rather than being included in periodic reports?

**Jim Donald - World Agricultural Outlook Board**

That is a complicated question and there is not one set of rules. The periodic reports are on a scheduled basis and all go through the Interagency review process like the Situation and Outlook. If new research is breaking, a short article might be put in the AO or an appropriate S&O, then a more full scale research report is done later.

**Fred Surls - Economic Research Service**

The research monographs and other research reports go through an USDA clearance procedure, not the WAOB review.

**Sue Buhler - Agricultural Marketing Service**

A lot of research reports grow out of staff analyses and others are prompted by industry or congressional questions. There is a publication which will come out soon on poultry consumption which is based on industry requests.

**Fred Surls - Economic Research Service**

The publication policy and types of reports vary greatly by Division and Branch in ERS. In the environmental area, they may have a long-range plan of research and expected publications. In commodity areas, the staff research requests constantly change and lead to new reports.

**Ron Gustafson - Economic Research Service**

The Nation's Changing Beef Herd in the S&O is an example of one researcher getting interested in a set of data which he felt should be published.

**Karl Skold - Quaker Oats Company**

He applauds ERS for getting more analyses published. He now would like for ERS to work with ASCS for faster turnaround on program participation data. They should also work with FAS to get more data out on a regular basis. He would also like to be able to use the Martin Marietta System to download more USDA data.

Imports and exports are only part of the dairy market but supply is so tight that people need to find out the daily bids and offers for DEIP.

He applauds the addition of sugar to the monthly WASDE. However, he would like to see the world sugar added.

White corn has been reported by NASS in the past. There will be a tight supply situation and he would like to see it added back in.

**Rich Allen - National Agricultural Statistics Service**

Does Karl mean more reports on Martin Marietta or some way to get the data off easier?

**Karl Skold - Quaker Oats Company**

The present system has only current reports. He would like to get historical information through the same service.

**Rich Allen - National Agricultural Statistics Service**

Discussion is going on about features to add to the next Electronic Delivery of Information contract. Data base information is always mentioned but that would likely require a different type of contract. NASS would be willing to put its data base out on a publicly available service but we don't want to invest in supplying it to multiple places.

**Weldon Hall - Agricultural Marketing Service**

One key for AMS is to build in safeguards which can keep some data confidential while moving most data to the public portion.

**Mike Sands - Western Livestock Marketing**

Is there any time frame for public access to the AMS data base?

**Weldon Hall - Agricultural Marketing Service**

All efforts to date have been to get AMS offices up and started on the system. Public access has not been formally addressed at all. There are 2 years left on the contract with the current vendor which is helping install the data base.

**Karl Skold - Quaker Oats Company**

One good feature on the Martin Marietta System would be information on when USDA will make important announcements.



**Fred Surls - Economic Research Service**

That type of thing is on the USDA fax service. He also wants to clarify that ERS has not used the Martin Marietta system for full reports because of limitations on table lengths.

**Jim Donald - World Agricultural Outlook Board**

As far as the world sugar question, he decided to go ahead with the supply and demand for the U.S. He is challenging the committee to put in some price expectations and work towards being able to do the world version.

**Fred Surls - Economic Research Service**

He suggested that Karl also consider looking at the PS&D view data from FAS.

**Rich Allen - National Agricultural Statistics Service**

Since white corn is a very specialized and regionalized crop it has been hard for NASS to keep funding in the national program. Support and funding for many specialty items has been difficult to obtain through the USDA and OMB.

**Jim Robb - Western Livestock Marketing Project**

He has been impressed with the progress on lamb data in such a short time. He agrees there are problems in interpreting the current LS 214 data and also with the hay market news data.

It looks like county agents are becoming a more common source for data collection, but he wonders how well trained and consistent they are. That particularly came in when he studied last year's pasture and range conditions.

**Fred Vogel - National Agricultural Statistics Service**

Jim's reference has to do with the effort to improve monthly crop yield indications by moving from the panel survey farm report to a survey which contacts operators who report major crops during the June Agricultural Survey. The new survey does not lend itself to picking up range and pasture conditions so the weekly weather and crop survey data are used which are based largely on Extension Service reports. NASS and Extension Service are working on an updated cooperative agreement which will emphasize cooperation on surveys.

**Paul Justis - Doane Agricultural Service**

Perhaps users could do without expected marketings but it probably would not be a big dollar savings. He has assumed that expected marketing is a statistical manipulation of the other data.

**Fred Vogel - National Agricultural Statistics Service**

Yes, it would not save much money but expected marketings is actually a questionnaire item much like expected farrowings on the hogs and pigs survey. There is considerable manipulation needed since expected marketings is one of the items which many operations do not report and NASS must try to interpret the data, stratum by stratum.

**Howard Wyman - American Sheep Industry**

Perhaps expected marketings should just be interpreted from the weight group data.

**Tommy Beall - Cattle Fax**

The weight group data are not good either because of nonreporting.

**Paul Justis - Doane Agricultural Service**

He was intrigued but confused by Bill Pratt's explanation of establishing a "target" figure and adjusting States. Can someone explain the process more fully?

**Rich Allen - National Agricultural Statistics Service**

The procedure does not use a "crowbar" on the States or does not disregard the State office recommendations. Since it is a bit complicated, it might be best to describe crop yield procedures first.

Probability statistical surveys have their greatest precision at summary levels (regions, U.S., etc.) since the total being estimated is additive across States but the sampling errors are calculated around the smaller State level figures. Thus, the first step in the Agricultural Statistics Board is to look at U.S. or regional level. For corn, this is the 10 objective yield States (the smaller production States are reviewed ahead of time in a separate process). Each Board member has the two probability survey indications (farmer reports and objective yield field observations) weighted to an average yield at the regional level along with the historical performance of those indications compared to final yield. Each person studies those relationships and other factors that are affecting this growing season and comes up with his/her recommendation for regional average yield. The 8 or so members of the Board are polled and any discrepancies in their judgements are discussed. The resulting conclusion is a tentative average yield (or target) which might be 118.0 bu/acre. The corn statistician and one or two other members will then review the individual State indications in the same manner and adopt the State office recommendations or "set" new figures while the Agricultural Statistics Board reviews the regional data for other crops. It is expected that the weighted average yield of the individual States in the region will come out to the target within rounding (plus or minus half a bushel) and it almost always does since the regional indication is based on the States. If it does vary by more than half a bushel all members of the Board will review the regional again plus all of the States to see what unusual data relationships are.

The same approach is used for major livestock surveys such as cattle inventory, sheep inventory, hogs and pigs, and now cattle on feed. However, the process is more complicated since both inventory and birth "targets" are set by the Agricultural Statistics Board (such as hog inventory and pig crop). Balance sheets are used in addition to regular indications, and several pieces of information (litter rates, sows farrowing, quarter-to-quarter trends, etc.) are available to use. The other major factor which makes interpretation difficult for State offices is that livestock surveys are subject to outliers (such as an operation in a small size strata which has a large expansion factor increasing its operation greatly during the year). Those outliers are legitimate and probably happen in each State but are only found in some States each survey. The outliers do not affect the national or regional totals in most cases but they affect the interpretations at the State level and more State recommendation changes are needed than for corn. One measure of the difference in complexity is that the national yield Board for corn will rarely take as much time as 20 minutes. The Board to set the hog inventory and pig crop tentative national totals will take at least 2 hours.

**Paul Justis - Doane Agricultural Service**

He thought Bill's comments were also applied to revisions.

**Fred Vogel - National Agricultural Statistics Service**

Yes, a similar process is used to consider revisions. Balance sheets which now have actual slaughter and export levels are set up and evaluated in conjunction with the original survey indications. The indicated residuals help to set or revise numbers within the statistical precision of the original data.

**Bill Casey - Cattle Fax**

Since he is largely here as part of his education, he will defer to Tommy Beall.

**Tommy Beall - Cattle Fax**

Earlier discussions have already hashed over many of his points. People often come to these meetings to say what we need and what should be better but it is important to take time to recognize improvements which have been made. He has a number of short items to throw out for thought.

Accuracy - the industry always wants it to be better. Cattle on feed - he is not sure all inconsistencies are still resolved. Hog data - there always seems to be some questions like which of the last 2 reports is right. Import/export data - timeliness and consistency of definitions should both be improved. Industry - be aware that changes are taking place. Release dates - the Friday release dates are very important and need to be continued.

He also has some other comments which have not been touched on as much today. The Cattle report has marketings by size of lot. He would also like cattle on feed by size of lot. Conversion factors are needed for products moving in exports. Away from home data which are lacking are needed in order to properly calculate demand.

He is not sure if changing the cattle and cattle on feed weights will help interpretation as much as people think since a weight like 700 pounds would group too many types together. He lumps all feeder cattle supplies together himself. If a change is made, it must be done for both the cattle inventory and cattle on feed.

The beef cow operations data were added a few years ago. Some new size categories are needed to be useful. He strongly supports the monthly cattle on feed surveys and doesn't feel the quarterlies are as accurate as the monthlies. Historically, he thought the expected marketing data were not too bad but they have always gone through some periods where they did not work well for a while. He believes that we still need to look at the definition of cattle on feed.

Disappearance data have changed for red meat and are now being changed for poultry. It is risky to change only half the data, there are other items which must be tied into the new disappearance series. We need retail prices that go with the new per capita numbers.

**Rich Allen - National Agricultural Statistics Service**

He is glad that Tommy reminded us that the same size groups must be used for both cattle and cattle on feed. That will be done since one of the current improvements is to coordinate those surveys in January.

**Roe Erlandson - George A. Hormel Company**

Most of his items have been covered. There is a need to provide better detail in the Cold Storage categories.

As far as the discussions today on forecast error on pig crops, it would be helpful to analyze if revisions have been within the expected bounds and communicate that to users.

**Sue Buhler - Agricultural Marketing Service**

Roe may be thinking of the pork categories of the Cold Storage report but there are also so many different items included in the "other poultry" categories that it makes it hard to interpret what is happening.

**Bob Brown - Wilson Foods**

The last such meeting he attended was 4 years ago after a major revision was made. He now understands the revision process better and feels that NASS does have good review procedures.



Wilson Foods is the biggest boneless ham producer in the world. The industry desperately needs a breakout of boneless from other categories. If half of the hams currently reported were boneless it would change consumption in total by 2 percent but might mean a 5 percent change in a short period.

There are other weaknesses in the current cold storage data. Boneless loins are lumped in with others but that is not as important as for hams. The supply of pork in March looks to be the second highest on record but if the "other" category is taken out it would be only the sixth highest. Any breakout of the "other" would be helpful even if it was only "offal items including kidneys" since that makes a difference in total disappearance.

He does have a question for ERS and the WAOB. We are halfway through the first quarter but there still is a \$4 range on hog prices for the quarter and \$6 for other quarters. Can't those be narrowed?

**Jim Nix - World Agricultural Outlook Board**

He finds it doesn't seem to bother most people since they use the midpoint of any range. The committees did not want to tie the range down too tightly since markets are volatile and the final average will depend on marketing patterns.

**Bob Brown - Wilson Foods**

Does the WAOB hear more about its production forecasts or its price forecasts? His uses are mainly of the prices.

**Jim Nix - World Agricultural Outlook Board**

He gets just as many questions on production.

**Bob Brown - Wilson Foods**

The National Pork Producers check data were mentioned this morning. How are they used?

**Bill Pratt - National Agricultural Statistics Service**

They should provide one more indication of State level inventories and marketings. At first the checkoff levels were somewhat less than slaughter, which was expected. However, reported numbers started coming in higher than slaughter so NASS worked with the NPP to match slaughter and checkoff data and determine the problems. The Iowa Agricultural Statistics Service did much of the detailed digging. We found that the dollars were right but some head numbers were duplicated between buyers and the slaughter plants.

**Al Wellman - University of Nebraska Extension**

He feels he is out where the rubber meets the road. He depends on some other analysts in the room for help and input. He is continually amazed at all of the data series available.

He has a concern on how long it takes to get cash price data published. He has his own release of Nebraska prices and has to leave out some items when they are not available. In other cases, he substitutes data such as a Colorado monthly potato price. He understands that feeder pig prices and broiler data for Nebraska are not available until the end of April.

**Jim Nix - World Agricultural Outlook Board**

He would suggest using the 12 city broiler prices which are available on an ongoing basis.

**Sue Buhler - Agricultural Marketing Service**

She can help Al with broiler prices. Because of integration, farm prices for broilers really are not valid.

**Glen Schmeltz - Continental Grain**

Better size groups for livestock would be a key data series. Another help would be information on numbers of hogs contracted or in integrated operations. Universities pick up some of this information occasionally. There used to be information on commercial feed sales every 10 years or so from a special study. That data should include for concentrate sales, etc.

**Ron Gustafson - Economic Research Service**

That sounds like some work that Bill Lin and his staff in ERS try to do every 5 years or so.

**Rich Allen - National Agricultural Statistics Service**

NASS asks some questions on hog contracting on the hog and pig survey but only to avoid duplication. If a contractor reports for all hogs that they control and provides lists of people who are contractees, the contractees are excluded from sampling if they have no other hog operations. Thus, the questionnaires do not identify all contracting.

**Glen Schmeltz - Continental Grain**

Analysis of livestock numbers is limited by the fact that not all States have county estimates.

**Rich Allen - National Agricultural Statistics Service**

There are not livestock county estimates in the NASS federal program. Those depend on State funding through our cooperative agreements and some States have never funded them. Other States may need to cut back as budgets get tighter.

**Participants at Atlanta, Georgia Data Users Meetings  
March 12, 1992**

Paul Ash  
AmSouth Bank  
Birmingham, Alabama

Dick Schermehorn  
University of Georgia  
Athens, Georgia

Robert Brown  
Farm Credit Bank  
Austin, Texas

William Thomas  
University of Georgia  
Athens, Georgia

Jimmy Carlisle  
Alabama Farmers Federation  
Montgomery, Alabama

Jerry Crews  
Auburn University  
Auburn University, Alabama

Dan Cunningham  
Georgia Turkey Association  
Athens, Georgia

Donald Dalton  
Southeastern Poultry & Egg Association  
Decatur, Georgia

Horace Horn, Jr.  
Alabama Poultry & Egg Association  
Montgomery, Alabama

Michael Huff  
Packers & Stockyards Administration  
U.S. Department of Agriculture  
Atlanta, Georgia

John McKissick  
University of Georgia  
Athens, Georgia

John Pedersen  
Poultry & Egg Fax  
Stone Mountain, Georgia

J. Walter Prevatt  
Auburn University  
Auburn University, Alabama



**Participants at Washington, D.C. Data Users Meetings  
March 18, 1992**

Joe Arata  
Merrill Lynch  
New York, New York

Steve Birch  
Commodities Corp.  
Princeton, New Jersey

Richard Brown  
Urner Barry Publications, Inc.  
Toms River, New Jersey

John Hardin  
National Pork Producers Council  
Danville, Indiana

Jens Knutson  
American Meat Institute  
Washington, D.C.

Gary Latta  
Crowley Foods, Inc.  
Binghamton, New York

Miles Levin  
Bureau of Economic Analysis  
Washington, D.C.

Doug Miller  
Bureau of the Census  
Washington, D.C.

Ellen Newton  
United Food & Commercial Workers  
Washington, D.C.

George Smith  
U.S. Department of Commerce  
Washington, D.C.

Walt Wasserman  
Cornell University  
Ithaca, New York

Fred White  
Agricultural Cooperative Service  
Washington, D.C.

Russel Whitman  
Urner Barry Publications, Inc.  
Toms River, New Jersey

Nancy Yanish  
Food Marketing Institute  
Washington, D.C.

Bob Yonkers  
Penn State University  
University Park, Pennsylvania

**Participants at Eagan, Minnesota Data Users Meetings  
April 1, 1992**

Dave Arnold  
Cargill, Inc.  
Minneapolis, Minnesota

Don Ault  
Ag-Nomics  
New Brighton, Minnesota

Andy Baument  
Iowa Pork Producers Association  
Clive, Iowa

Bob Brommer  
Livestock & Grain Market News  
U.S. Department of Agriculture  
South St. Paul, Minnesota

Paul Christ  
Land O' Lakes, Inc.  
Minneapolis, Minnesota

Cynthia Clanton  
National Hog Farmer Magazine  
Minneapolis, Minnesota

Don Close  
Pioneer Hi-Bred  
Des Moines, Iowa

Joe Conlin  
University of Minnesota  
St. Paul, Minnesota

Robert Duban  
Minnesota Pork Producers Association  
North Mankato, Minnesota

Vernon Eidman  
University of Minnesota  
St. Paul, Minnesota

Riley Gillette  
Iowa Sheep Industry  
Spencer, Iowa

Ron Green  
Webb Publishing Company  
Minneapolis, Minnesota

John Lawrence  
Iowa State University  
Ames, Iowa

Bill Lazarus  
University of Minnesota  
St. Paul, Minnesota

Charles Levitt  
Shearson Lehman Brothers  
Chicago, Illinois

Dan O'Brien  
Iowa State University  
Ames, Iowa

Gene Quast  
Mid-America Dairymen, Inc.  
Roseville, Minnesota

Jan Sande  
Ag-Nomics  
New Brighton, Minnesota

Colleen Sauber  
Dairy Herd Management  
Minnetoka, Minnesota

Stan Smebakken  
Packers & Stockyards Administration  
U.S. Department of Agriculture  
South St. Paul, Minnesota

Donald Storhoff  
Wisconsin Dairies  
Baraboo, Wisconsin

David Wiebke  
Minnesota State Cattlemen's Association  
Spring Grove, Minnesota

Su Ye  
Minnesota Department of Agriculture  
St. Paul, Minnesota

Tom Yeakley  
Jerome Foods  
Barron, Wisconsin

**Participants at Sacramento, California Data Users Meetings  
April 7, 1992**

Don Bell  
University of California  
Riverside, California

James Cothorn  
California State University  
Fresno, California

Carl DeWing  
California Department of  
Food and Agriculture  
Sacramento, California

Seth Hall  
Western Farm Credit Bank  
Sacramento, California

Seth Hoyt  
Agricultural Marketing Service  
Sacramento, California

Allen Hurlburt  
California Pork Producers Association  
Visalia, California

Grover Roberts  
California Farm Bureau Federation  
Sacramento, California



## Participants at Denver, Colorado Data Users Meetings April 27, 1992

Brad Anderson  
ASCS  
Washington, D.C.

Leland Anderson  
Western Dairyman Cooperative, Inc.  
Thornton, Colorado

Tommy Beall  
Cattle Fax  
Englewood, Colorado

Ken Betschart  
Torrington Feeders  
Torrington, Wyoming

Bob Brown  
Wilson Foods  
Oklahoma City, Oklahoma

Staci Busby  
Colorado Cattle Feeders Association  
Denver, Colorado

Dave Campbell  
Western Dairyman's Co-op  
Thornton, Colorado

Bill Casey  
Cattle Fax  
Englewood, Colorado

Mel Davis  
Farmland Foods  
Kansas City, Kansas

Roe Erlandson  
George A. Hormel Company  
Austin, Minnesota

Dave Fickert  
Commodities Futures Trading Commission  
Chicago, Illinois

David Flitner  
Wyoming Farm Bureau  
Laramie, Wyoming

Terry Franci  
American Farm Bureau  
Park Ridge, Illinois

Darrell Holaday  
Farm Bureau  
Manhattan, Kansas

Steve Horn  
Colorado Department of Agriculture  
Lakewood, Colorado

Bill Jackson  
Greeley Tribune  
Greeley, Colorado

Paul Justis  
Doane Agricultural Service  
St. Louis, Missouri

Chuck Lambert  
National Cattlemen's Association  
Englewood, Colorado

Dick Loewy  
AgResource Company  
Chicago, Illinois

Gary Lohr  
Sparks Companies, Inc.  
Memphis, Tennessee

Pat Luby  
Digisonix  
Middleton, Wisconsin

Tom Morgan  
Sterling Research  
Arlington Heights, Illinois

Bob Remmeke  
ConAgra  
Omaha, Nebraska

Jim Robb  
Western Livestock Marketing  
Lakewood, Colorado

Jim Rubingh  
Colorado Department of Agriculture  
Lakewood, Colorado

Mike Sands  
Western Livestock Marketing  
Lakewood, Colorado

Glen Schmeltz  
Continental Grain  
Chicago, Illinois

Karl Skold  
Quaker Oats Company  
Chicago, Illinois

Mike Smith  
Colorado Cattle Feeders  
Denver, Colorado

Takafumi Tahara  
Livestock Industry Promotion Corp.  
Denver, Colorado

Bill Thompson  
Rocky Mountain Farmers Union  
Aurora, Colorado

Al Wellman  
University of Nebraska  
Lincoln, Nebraska

Howard Wyman  
American Sheep Industry  
Bristol, Illinois

# USDA HEADQUARTERS STAFF AT 1992 DATA USERS MEETINGS

<u>PERSON</u>	<u>AGENCY</u>	<u>MEETINGS ATTENDED 1/</u>
Rich Allen	National Agricultural Statistics Service	1, 2, 3, 4, 5
Gerald Bange	World Agricultural Outlook Board	1, 2, 3
Susan Buhler	Agricultural Marketing Service	5
Charles Caudill	National Agricultural Statistics Service	2
Lee Christensen	Economic Research Service	1
Ed Cissel	Foreign Agriculture Service	2
Cynthia Clark	National Agricultural Statistics Service	4
Terry Crawford	Economic Research Service	2
James Donald	World Agricultural Outlook Board	2, 5
Alfonzo Drain	National Agricultural Statistics Service	2
Ron Gustafson	Economic Research Service	5
Weldon Hall	Agricultural Marketing Service	2, 3, 5
Jim Horsfield	Economic Research Service	2
Terry Hunter	Agricultural Marketing Service	2
Allen Johnson	Economic Research Service	3
John Lee	Economic Research Service	2
Mark Miller	National Agricultural Statistics Service	2, 4, 5
Ed Missiaen	World Agricultural Outlook Board	4
James Nix	World Agricultural Outlook Board	1, 2, 3, 4, 5
Bill Pratt	National Agricultural Statistics Service	1, 2, 3, 4, 5
Leland Southard	Economic Research Service	3, 4
Fred Surls	Economic Research Service	1, 5
John Van Dyke	Agricultural Marketing Service	1, 2, 4
Fred Vogel	National Agricultural Statistics Service	1, 2, 3, 4, 5

1/ Meetings were: (1) Atlanta, (2) Washington, D.C., (3) Eagan, (4) Sacramento, (5) Denver.



## *Georgia Farm Bureau Federation*

P. O. BOX 7068 • 1620 BASS ROAD AT I-75

MACON, GEORGIA 31298

912-474-8411

March 13, 1992

Mr. Charles E. Caudill  
Administrator  
USDA/NASS  
Room 4117 South Building  
Washington, D.C. 20250

RE: Comments on USDA Commodity Estimate Reporting

Dear Mr. Caudill:

I sincerely appreciate the meeting notice and solicitation of comments regarding USDA's production, supply, demand and price reporting for agricultural commodities. Unfortunately, I will not be able to attend the meetings scheduled for either Atlanta or Washington. In that regard, please find below comments and concerns offered from the perspective of production farmers in Georgia.

Farm Bureau Policy, which originates from the grassroots network of our farmer members, offers specific suggestions for improving agricultural reporting. First and foremost, we strongly support the work of the National Agricultural Statistics Service (NASS), and have gained a greater reliance on the Georgia Agricultural Statistics Service (GASS) in recent years. Farm Bureau Policy specifically urges members to cooperate with reporting requests and to offer the best possible estimates to ensure a more reliable end-product.

Historical observations of the reporting service has generated concerns in two major areas: (1) the completeness and accuracy of commodity data gathered, and (2) the timely release of commodity data with consideration of market impact.

Within the scope of completeness and accuracy, Farm Bureau urges:

- (a) Crop reporting to pursue a broader scope of supply-demand impact by including domestic and import information. For example, reports of the Caribbean Basin Initiative countries should be provided in a timely manner. Reports on world production and consumption should be reported in common units of measure;



Comments on USDA Commodity Estimate Reporting

March 13, 1992

Page 2

- (b) Direct sales data of slaughter cattle, sheep and hogs be reported to better reflect market conditions. Further, consideration should be given to reporting boxed beef sales;
- (c) Telephone surveys to be limited in purpose by requesting crop or livestock data for only the participant being surveyed, to minimize reporting errors from speculation of other farmers;
- (d) Implementation of the "Large Area Crop Inventory Experiment" (LACIE) to provide a worldwide perspective on agricultural inventories; and
- (e) Agricultural census data to be gathered every five years and be restricted to questions regarding farm acreage and livestock numbers. Further, request is made to simplify and update census reporting forms.

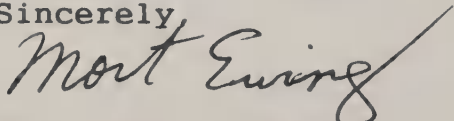
On the second issue of timely reporting, Farm Bureau recommends:

- (a) That the Peanut Planting Acreage Report be released after the ASCS deadline for planted peanuts;
- (b) That forecasts of pecan crop production, and subsequent reporting of pecan supply and demand, be modified to minimize the dramatic market impact experienced in prior years; and
- (c) That potential impacts to other commodities be considered when establishing a schedule of reporting releases.

Georgia Farm Bureau applauds continued efforts by the NASS to improve reporting services. In particular, recent modifications for Friday reports of cattle inventory and cattle on feed has proved to be a positive step for cattle marketing. To a further extent, we appreciate the willingness to explore additional areas of concern and seek input for improvements.

Thank you for your time and consideration.

Sincerely,



T.M. "Mort" Ewing  
President

April 8, 1992

Mr. T. M. "Mort" Ewing  
President, Georgia  
Farm Bureau Federation  
P.O. Box 7068  
1620 Bass Road at I-75  
Macon, Georgia 31298

Dear Mr. Ewing:

We appreciate your thoughtful comments and concerns about the various statistical reports. The overall support of the Georgia Farm Bureau Federation has always been greatly appreciated, and we thank you for your efforts. We took some time to answer your questions because some of them dealt with the Market News Service reports and some with World Agricultural Outlook Board reports. The input we received related to your questions follows:

*Caribbean Basin Initiative ...*

The USDA reports on imports from the beneficiaries of the Caribbean Basin Initiative (CBI). USDA's Market News Service office in Miami publishes the "Caribbean Basin Import Report" daily. You may call (305) 326-1254 for information on how to order this report. Once a year, the monthly circular, "Horticultural Products Review" published by the Foreign Agricultural Service, reports on U.S. horticultural imports from CBI beneficiary countries. The most recent report was in the July 1991 issue of the Review. For a copy or for more information, you may call Mark Thompson at (202) 720-6877. Last year, the Economic Research Service published a report, "U.S. Markets for Caribbean Basin Fruits and Vegetables." The author, Richard Brown, can be reached at (202) 219-0680.

*Direct Sales ...*

USDA/Agricultural Marketing Service, Livestock and Grain Market News Service reports on direct sales of cattle, sheep, and hogs from 25 major marketing areas on a daily, semiweekly, or weekly basis--depending on trading volume. The marketing structure of the industry has shifted from terminal to more direct trading and AMS is continually shifting reporting practices to meet this change. There are a number of direct reports in Georgia and surrounding States which are available from the Thomasville, Georgia, office (912) 228-1440.

The Livestock and Grain Market News office in Des Moines, Iowa, reports daily sales of boxed beef covering the entire United States. Boxed beef makes up the bulk of meat sales today and forms the basis of the beef carcass cutout value report. These reports are also available from the Thomasville, Georgia, office.

Attached is a copy of the weekly summary and statistics which will give you information on the variety of reports available. To subscribe, phone or write to the Washington, D.C. office at the following address: USDA/AMS, Livestock and Grain Market News, P.O. Box 96456, Room 2623 South Building, Washington, D.C. 20090-6456. Phone (202) 720-6231.

*Telephone Surveys ...*

NASS limits telephone survey respondents to the actual farm operator or to someone else within the same household. NASS does not ask telephone respondents to report for other farm operators. In some cases, we may ask farmers about conditions in their locality in general, but not about other farm operators.

*Remote Sensing - LACIE Project ...*

Implementation of the LACIE project in the late 1970's produced results which indicated that satellite imagery could be effectively used to monitor and assess wheat growing conditions on a worldwide basis. Similar positive results from other studies led the Department to invest in the purchase of remote sensing equipment and the training of personnel. Today, these resources enable USDA to monitor and assess a wide range of crops in the United States, in major U.S. export markets, and in production areas belonging to U.S. trade competitors.

*Census of Agriculture ...*

The Census of Agriculture is conducted by the Department of Commerce and is therefore not controlled by the USDA. The plans for the 1992 Census are nearly all in place by now. The Census content will be the same as used for previous Census periods. We recommend you deal directly with the Bureau of the Census about your concerns. The person to contact is Charles Pautler, Chief, Agriculture Division, 437 Iverson Mall, Bureau of the Census, Washington, D.C. 20233.

*Peanut Planting Acreage Report ...*

Peanuts are a major crop included in NASS field crop reports. The report cycle is as follows:

- Prospective Plantings is released the end of March.
- Planted Acreage is released the end of June.
- Monthly crop reports, harvested acres, yield and production are released August-November.
- Annual Summary is released mid-January the following year.
- Final Peanut Production - April Crop Production the following year.

Because peanuts are included with a large number of other crops, it is not always possible to coincide the timing of the NASS releases with other agency releases.

*Pecan Reports ...*

USDA analysis of pecan supply and demand is limited to the ERS bulletin, "Fruit and Tree Nuts Situation and Outlook," which is released four times per year: March, August, September (yearbook), and December. The report coordinator, Diane Bertelsen, welcomes suggestions for improving the report. Her number is (202) 219-0884.



Mr. T. M. "Mort" Ewing

3

As far as the pecan production forecasts are concerned, we will be happy to discuss the frequency of reporting with you and the industry.

*Scheduling of Releases ...*

Yes, we do try to consider the impacts on other commodities when establishing release schedules. We also try to keep the releases as timely and current as possible. If you have some specific examples of releases where scheduling should be changed, please let us know about them along with suggested alternatives. As you saw with the shift of the cattle release dates, we can be flexible.

Thanks again for your input. Please come and see us whenever you are in Washington, D.C. Meanwhile, let us know if you have any additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Charles E. Caudill".

CHARLES E. CAUDILL  
Administrator

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# FARM PROGRESS COMPANIES

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1501 42nd Street • Suite 501 • West Des Moines, IA 50265 • 515/224-6025 • Fax 515/224-6039

March 17, 1992

Charles Caudill  
USDA-NASS  
Room 4117 South Building  
Washington, D.C.  
20250

Dear Charlie:

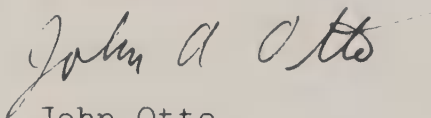
Thanks so much for the kind invite to the data users session April 1 in Eagan, Minnesota which you sent to Monte Sesker.

I'd like to attend, but and you knew there was a but coming, my wife, Maria, and I are taking a trip to Brasil to visit her mother. It would take more than that 40 mule team hitch off the borax box to keep me from getting on that airplane next Tuesday.

On occasion, Howard Holden, Iowa deputy statistician, has retrieved numbers for me from NASS' electronic data base at Martin Marietta in Florida. Fortunately for me, Howard has had the perspicacity to recognize when the numbers in the data base didn't look quite right and he checked them elsewhere. I understand NASS is working on that one.

I've also asked Howard if he could snatch other data series from the computer. He's said, "I don't think so. That series is compiled by ERS." I realize both agencies ride herd over a tremendous amount of data and inputting it and verifying it is a monumental task. However, I have seen enough of the benefits to conclude that computerizing it is worth the effort. Whether it all ends up in one place is less important than developing a procedure by which good troops like Howard can access the data for folk like us from wherever it resides.

Sincerely,



John Otte  
Economics editor



March 26, 1992

Mr. John Hardin  
National Pork Producers Council  
4881 West Road 200 North  
Danville, Indiana 46122

Dear John:

During the recent Data Users meeting in Washington, D.C., you asked what percent of a quarterly agricultural survey sample actually had hogs. We went back to the December 1991 survey to check for you since that survey is the one set up to make State level estimates for all States.

For that survey, our calculations show that 15,765 of the 82,251 operations (or 19.2 percent) had hogs. As expected, that is higher than our estimate of the percentage of all farms with hogs (256,390 out of 2,105,000 or 12.2 percent).

Another way to look at the results is that about 6.15 percent of all hog farms were in our sample. The sample accounted for only 3.91 percent of all farms.

Sincerely,

RICH ALLEN  
Chairperson  
Agricultural Statistics Board







*New York State Poultry Industry Coordinated Effort, Inc.*

P. O. Box 821

Ithaca, N. Y. 14850

March 31, 1992.

Charles E. Caudill  
Administrator, USDA/NASS  
Room 4117 South Building  
Washington, D.C. 20250

Dear Mr. Caudill,

Our association and our members use data from your USDA reports daily. We use the following items of monthly information particularly:

Chicken eggs in incubators 1st of month  
Pullet chicks hatched  
Pullet chicks hatched, 12-month moving total  
Light hen slaughtered  
All layers first of month  
Table egg layers first of month  
Table eggs produced  
Eggs broken  
Corn, Chicago #2 monthly price  
Soybean meal, 44 percent Decatur, price

The annual summaries of the information and state comparisons are very valuable to our industry as reported in NASS Legers and Egg Production: Annual Summary.

Keep up your good work and keep the numbers rolling.

Very truly yours,

William J. Coleman,

Executive Director.

NATIONAL AGRICULTURAL STATISTICS SERVICE CONFERENCE  
SACRAMENTO, CALIFORNIA  
APRIL 7, 1992

COMMENTS BY: Donald Bell, Poultry Specialist  
University of California, Cooperative Extension  
Highlander Hall, University of California  
Riverside, CA 92521  
Telephone (714) 787-4555  
Fax (714) 787-7251

As a frequent user of NASS reports in the Poultry Extension Program of the University of California, I would like to make a few observations concerning the information provided.

At the present time, we utilize the following reports as sources of information for our monthly summary of poultry statistics, a monthly projection of table egg layer populations and our Egg Economics newsletter:

Egg, Chickens and Turkeys  
Egg Products  
Poultry Slaughter  
Agricultural Prices  
Annual Summaries of Poultry Statistics

These UC newsletters are used to focus key poultry statistics from a variety of sources (NASS and others) to California and U.S. egg industry leadership. Other data is developed by UC Cooperative Extension concerning California conditions. These include summaries of costs, prices and profitability.

The NASS data provides the basis for national projections of industry trends and is used extensively for this purpose by ourselves and other economists and industry organizations to predict future problems in the industry. One of the more important uses is to alert the industry when conditions contribute to an increase of the nation's layer flock beyond the size necessary for consumer needs at returns suitable for maintaining a healthy industry.

Key data needs include accurate, well defined counts of layers, breeders, eggs, chicks hatched, hens sold, egg prices, and feed costs. The essential element of statistics reporting is to assure that the supplier of data, the statistician and the reader are all in common understanding about the data.

Because of changes in the industry, we must review our system to assure that requests for data are understood by the suppliers of this information. This requires specific definitions for:

- \*Chicks placed in addition to chicks hatched (by type)
- \*Hens sold (removed from the national laying flock)
- \*Table egg prices (farm or wholesale, unprocessed or processed, etc.)
- \*Commercially comparable feed prices (not feed store)

Chicks hatched do not necessarily make their way into the national flock and yet this number is used to project future additions to the flock. First, they may not be sold because of grading, or cancellation of orders. Secondly, we lose 4-5% in the rearing process. Mortality effects can be factored into our calculations, but chick utilization at the hatchery (hatched vs placed) varies with the hatchery, with the time of the year and with the cycles of the business.

Commercial laying farms usually experience less than 1% mortality per month. Other removals from the laying flock can only be estimated from slaughter reports. Still, another 2 million are usually unaccounted for each month when data are reconciled. The industry needs to have a more accurate number to reflect hen removals if projections are to be reliable.

Egg prices are assumed to be at the farm level, but our analysis of this issue seems to indicate that many producers provide prices reflecting processed (wholesale) prices while others provide unprocessed (farm) prices. The "first sale" reflects different products from one farm to another. A more precise definition of farm egg prices must be made if the data is to be usable.

Feed prices must also reflect layer feeds for commercial egg producers. Feed store information is not satisfactory. We would suggest that this information be requested from commercial egg producers and that the request be specifically for "layer" feed.

The data collection system must be in step with industry trends. When egg producers began to molt their flocks, new data series were developed. When egg processing and marketing systems change, a new look must be taken to assure that egg prices are meaningful.

The nation's egg flock must be managed and this can only be accomplished with accurate data. It's essential that the USDA and industry work closely together to improve the present system.







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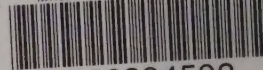


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